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Rite of Spring in U.S. / Why Should I Be the Chump?

Lack of Faith in Tax System Spawns the Fearless Cheaters

By Dale Russakoff
Washington Post Service

NEW YORK — It is one of the surest rites of spring. No sooner do people start hiring painters to touch up the house, gardeners to spruce up the yard, handymen to fix the back fence than they stumble into a seemingly benign moral dilemma: Do they agree to pay cash to a struggling entrepreneur who wants to avoid taxes?

"I tell people, if you pay cash, you can take off so many hundred dollars," said a New York-area house painter, who says he makes up the difference by cheating on his taxes, and assumes customers know it. "Out of 100 customers a year, at most one or two want to pay taxes. Out of 1,000 in a dozen or so years, maybe there were five or six."

Even as Republican leaders denounce the Internal Revenue Service as a horde of terrorizing intruders, what is striking is how many Americans fearlessly cheat on their taxes — and get away with it.

Of every tax dollar owed, the IRS calculates that 17 cents is never paid, mostly because a wayward minority overstates deductible expenses or does not report chunks of income paid in cash. Some of the errors, IRS officials emphasize, are inadvertent. Still, the total would be more than enough to cover the salaries and benefits of the entire U.S. military.

While the proportion of taxes that go unpaid has held steady for two decades, hostility toward the system appears to be growing, not only among a public deeply distrustful of government but also on Capitol Hill, where politicians increasingly assail the tax system as symbolic of the evils of big government. The chairman of the House Ways and Means Committee, Bill Archer, Republican of Texas, demands that the Internal Revenue Code be "torn out by the roots."

Washington's war on tax cheaters has markedly cooled since the early 1990s, when deficits were in the hundreds of billions of dollars and Democrats controlled Congress. At that time, leaders of both parties thundered

at the huge hole in the tax base caused by cheating and voted to increase the budget for IRS enforcement as a way of cutting the deficit without raising taxes.

Now, with the deficit negligible and Republicans in charge, thanks in part to grass-roots anger over taxes, Congress has cut deeply into the IRS enforcement budget. The IRS now audits just over 1 percent of all taxpayers, less than half the audit rate of 20 years ago.

But the IRS still knows a lot about the taxpaying public. It knows precisely why people

Some tax dodgers say cheating is an antidote to an unfair system.

cheat (they think they can get away with it) and who cheats (people in cash businesses, where income leaves few paper trails). Authorities on tax compliance have also found a strong link between tax evasion and distrust of government. Some of them predict the current political atmosphere will lead to more cheating, or at least attempts at it.

"If you're deciding whether or not to evade on your own, that's one thing," said Mike McKee, an economist at University of New Mexico and an authority on taxpayer attitudes. "But if you feel the general mood is that the system lacks legitimacy, you're more likely to do it."

A dozen current and former tax-fudgers interviewed in several cities — from a musician in Denver who said he hid about one-fifth of his income to a landscaper outside New York City who said he hid all of his — called cheating their antidote to an unfair system. None confessed any remorse for not paying their fair share.

"If you blindly go about paying every cent, you deserve what you get," said the landscaper, who added that he grew up distrusting government because of the Vietnam War, "when everybody was eking out a meager living and their taxes were going into a no-win war."

The IRS has a jaundiced view toward people who defend cheating as somehow more moral than

obeying the law. "They're greedy," said Ted Brown, who heads the criminal investigation division. "They want a few extra bucks, and they don't really care who they take it from."

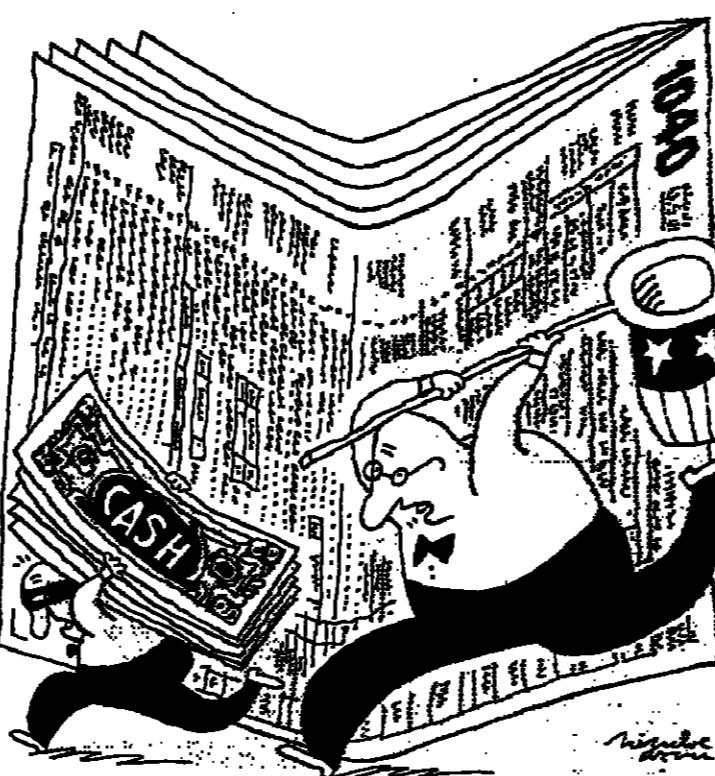
The overwhelming majority of Americans have little opportunity to cheat. Of more than 120 million tax returns expected to be filed by Wednesday, the IRS estimates more than 90 percent will include at least one wage-earner whose taxes were withheld by an employer. Because of the high rate of withholding, and ever-expanding reporting of earnings on 1099 forms, Americans lead the world in tax compliance.

Cheating is concentrated where there is opportunity, the IRS found when it studied the subject. Sole proprietor businesses lead the way, followed closely by "informal suppliers" like sidewalk vendors, moonlighting craftsmen or mechanics, baby-sitters and others who work largely for cash.

MARGARET Richardson, a former IRS commissioner, said she encountered the problem firsthand as she tried during her tenure to find Washington-area window-cleaners for her home that were willing to be paid on the books, by check. "I had dirty windows for four years," she said.

IRS officials say it would be impossible to collect most of the estimated \$80 billion in taxes that are owed but never paid because the money is spread across so many millions of taxpayers in such small amounts. So a house painter who hides maybe \$20,000 of income a year is more likely to escape than, say, the pop artist Peter Max, who pleaded guilty in Manhattan last November to virtually the same actions — hiding income, most of it paid in cash — on a far larger scale: \$1.1 million over six years.

There are almost as many motives for tax dodging as there are cheaters. Many are related to attitudes toward government because the tax system — with more than 100 million returns filed annually — is government's most pervasive presence.



The sharp drop in the top federal tax rate — from more than 70 percent in the 1970s to under 40 percent now — was expected to raise compliance by making evasion less profitable. Yet Americans still feel universally overtaxed.

The New York area house painter, who said he reported only \$45,000 to \$55,000 a year of his \$60,000 to \$80,000 in annual income, said: "Rich people pay nothing. You know who pays for everything? Me! The middle class!"

Perry Quick of Ernst & Young calculated that a married sole proprietor with \$57,500 in taxable income — after subtracting the standard deduction and exemptions for two children — pays a third of it in state, federal and Social Security taxes.

Even famously compliant wage earners seize opportunities to chisel, such as inflating the value of donations to charity.

A big ruse was discovered in 1987, when the IRS began requiring taxpayers to supply Social Security numbers for dependents they were claiming exemptions for. Within one year, 7 million dependents disappeared from the nation's tax rolls.

Yet even people who view themselves as moral citizens turn up as violators. Peter Max denounced "the government's baseless conduct" on the day of his indictment for tax evasion, noting he had painted for four presidents and was "proud to have served my country for so many years."

Similar outrage was voiced in a less publicized case of a wholesale produce company in the Bronx whose principals recently

were sentenced to serve time for pocketing some cash themselves.

"They did nothing that isn't done by everyone in the industry and that's what we told the judge," said Larry Goldman, an attorney who represented one of the principals.

The remark was not news to the Manhattan district of the IRS or the U.S. Attorney's Office here. "The investigation is continuing," was all a prosecutor would say.

THE DENVER area musician who said he reported four-fifths of his income — his earnings from a big music lesson business — said he felt patriotic about paying taxes because "I feel that it's necessary as a citizen of the United States to contribute to the functioning of the government."

Still, he cheats — hiding the cash he earns by night performing at clubs — and calls it his way of compensating for steep Social Security taxes: "That self-employed tax goes up each year because they are factoring in the people that cheat. Why should I be the chump and be the one who gets hit for it?"

That is precisely the moral argument behind tax-law enforcement: Cheating the IRS is in effect cheating neighbors or competitors who pay their full share. "Taxes are the price we pay for a civilized society," wrote the Supreme Court justice Oliver Wendell Holmes, a phrase set in stone over the entrance to IRS headquarters in Washington.

France and U.S. Sign New Aviation Pact

By Anne Swardson
Washington Post Service

the Communist Party in France's Socialist-led government, noted that the United States had given up the idea of "open skies," or allowing the airlines of each country to fly whenever and wherever they wanted.

But Mr. Rohatyn, for his part, said that the accord would lead to "aviation liberty" at the end of the five-year transition period.

The accord is slightly more restrictive than similar bilateral air agreements concluded in recent years between the United States and Germany, Austria, the Netherlands, Belgium, Denmark, Finland, Luxembourg and Sweden.

But it significantly raises the number of round-trip flights allowed by carriers of each country, to 210 per week in five years from the current 149 flights.

It also allows Federal Express Corp. to make Charles de Gaulle Airport in Paris its principal European hub, and

awards French cargo rights to two other U.S. carriers.

The accord will permit new direct service between Pittsburgh and Paris, which USAirways Inc. plans to provide, as well as additional Paris flights from Washington by UAL Corp.'s United Air Lines, and from Los Angeles by AMR Corp.'s American Airlines.

By the end of the five-year transition, American and French carriers will be able to operate from any city in one country to any city in another. Rights to pick up passengers and fly them to a third country will be limited at first — U.S. airlines will only have such so-called fifth-freedom rights to go beyond Paris to Tel Aviv and Cairo initially — but may be increased after the end of the transition.

Air France's president, Jean-Cyril Spinetta, said the results of the negotiation "place us on an even keel compared with our European competitors."

TRAVEL UPDATE

All Nippon Airways Cuts Flights

TOKYO (AP) — All Nippon Airways said Wednesday that a strike by its pilots over wages had entered a third day, causing flights on five international routes to be canceled.

If the strike continues, cancellations on Thursday and Friday could affect more than 3,000 passengers, the airline said. The pilots are refusing to fly one type of plane, the Boeing 747, used only on international routes.

Meanwhile, Japan Air Lines said unionized cockpit crews had called a one-day strike for Thursday over wages. A JAL spokesman said there would be no effect on flights.

The accord permits an expansion of so-called code-sharing, the ability of an airline to operate joint flights with another. Thus Air

The French Get Fatter
Agence France-Presse

PARIS — French people are increasingly following the U.S. example in their eating habits: More than one-third of the population is overweight or obese, and 100,000 people die annually of weight-related problems, according to a new study.

The research, partly funded by the government, was conducted in 1997 and involved 30,921 people 15 years of age or older. It showed that about 16 million people in France are overweight or obese, and the majority of those with serious weight problems are women between the ages of 45 and 54. Researchers cited changing eating habits and the proliferation of fast-food outlets.

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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

BA Assails Plane-Markings 'Scare'

LONDON (Reuters) — British Airways denied Wednesday that a collection of "world images" it introduced last year as plane markings in place of a stylized British flag were unsafe, after a newspaper suggested that pilots from other airlines could not recognize BA planes at night.

"The Daily Telegraph has the right not to like our new livery, but it has no right to publish spurious and alarmist scare which may frighten passengers," said Mark Street, a BA spokesman.

The Civil Aviation Authority said it had begun an inquiry after two pilots complained of being unable to identify BA planes, but it stressed that there was no safety risk.

**Clinton Give-Away
A Tutorial on Social Security
(No Answer)**

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THE AMERICAS

POLITICAL NOTES

School Vouchers Fail A Test in Cleveland

WASHINGTON — A new evaluation of one of the few U.S. school voucher programs has found that students using the tuition stipends to pay for private education are not achieving better test scores than students who are still in public schools.

The two-year-old Cleveland program gives 5,000 needy students publicly funded scholarships worth as much as \$2,250 to attend private schools. Advocates have touted the idea, which is one of the most divisive education issues in the country, as a way to give better learning opportunities to children trapped in failing public schools.

But in a new report commissioned by the state of Ohio, researchers contend that the promise of Cleveland's voucher experiment so far has not been fulfilled. They found "no significant differences" in achievement in either reading, math or science between students using vouchers and a comparable sample from Cleveland's public schools. Both groups of students were

assessed near the end of the voucher program's first year.

In a separate measure of the program's performance, a new audit is raising questions about how some of its funds are being spent. Students with vouchers, for example, have spent a total of about \$1.4 million in state money to take taxicabs to class, rather than the school buses they would ride if they were part of Cleveland's public school system.

Only one other city, Milwaukee, allows students to use vouchers, but Republican leaders in Congress have the idea atop their education agenda. (WP)

skiing accident at Lake Tahoe three months ago.

Mr. Waite, a 69-year-old Democrat, was hampered in his campaign because of a contractual commitment that forced him to spend five days a week on stage in New Jersey in the role of Willie Loman in "Death of a Salesman." Throughout his campaign, Mr. Waite said that he expected his vote to fall far short of Mrs. Bono's but that his goal was to hold her to under 50 percent and force her into a runoff.

Failing that, he said, he will try again in November, when the House race will be up for a full term. (WP)

President Bill Clinton, as he raised \$500,000 for Democrats at a dinner held in a tent during a windy rainstorm in Chicago: "This is the way I live every day in Washington. Believe me, I found if you just keep standing up, most of the time the tent won't fall. And if the storm blows over, you won't melt. Ninety percent of it is just showing up every day. It gratifies your friends and defies your enemies. It's a good thing to do." (AP)

Clinton Gives A Tutorial on Social Security (No Answers)

By Ceci Connolly
Washington Post Service



Mr. Clinton pointing to a chart showing Social Security in the red in 2029.

KANSAS CITY, Missouri — President Bill Clinton has convened his first class on the complex and contentious issue of Social Security, a marathon session complete with three-color charts, a satellite hookup and homework assignments.

The only thing he left out were answers. They will not come for at least a year, well after the November elections.

"People are always saying, 'Well, so what's your plan?'" the president said during a forum here at Penn Valley Community College. "What I'm attempting to do here is to avoid announcing a plan while we go through this period of educating the whole electorate."

But Mr. Clinton did offer some clues on how far he is willing to go to revamp the government program that serves 44 million retired and disabled Americans.

He supports limiting Social Security benefits for wealthier retirees, opposes increasing payroll taxes and wants younger Americans to be better savers.

Mr. Clinton was also receptive to the idea of personal security accounts as one element of a comprehensive overhaul.

Mr. Clinton opened this national dialogue on Social Security in his State of the Union address in January, when he urged lawmakers to hold off spending expected budget surpluses until he and Congress agree on a plan to preserve Social Security for future generations.

During panel discussions, Mr. Clinton struck a cautious theme, reassuring the elderly that he will not fiddle with their benefits and promising to "act with care as we make needed repairs."

Senator Rick Santorum, Republican of Pennsylvania, who accompanied Mr. Clinton aboard Air Force One, said, "He doesn't want to get out ahead of the American public or Congress."

Referring to the public backlash against Republicans when they proposed revamping the nation's health care program for the elderly, Mr. Santorum added, "He mentioned he doesn't want another Medicare catastrophe."

The Depression-era Social Security program is now on sound financial footing. The problem comes in about 15 years, when the country's baby boomers begin retiring and the government will be asked to pay out more in benefits than it will collect in payroll taxes. In 30 years, Mr. Clinton said, the depleted Social Security bank account will be able to provide only 75 percent of current benefits.

"One of the reasons we want to move now," he said, "is that by making relatively modest changes now, we can extend the life of the Social Security trust way out beyond 2029."

By Keith Bradsher
New York Times Service

maker to offer side air bags on all its cars; it has not previously offered such devices on any of its U.S. models.

DETROIT — Side air bags will soon be much more common in cars on the American road.

Ford Motor Co., concerned by the death rate of people in cars hit from the side, announced Wednesday that it would offer side air bags on all of its cars and Ford Windstar minivans within the next three years.

Ford would become the first mass-market auto-

maker to offer side air bags on all its cars; it has not previously offered such devices on any of its U.S. models.

General Motors Corp. offers side air bags on a half-dozen of its 81 models. And the automaker said Tuesday it planned to add 15 more over the next two years. Side air bags are already offered in luxury cars such as BMWs, Mercedes-Benzes and Volvos.

Ford's side air bags will be built into the outer side of both the driver's seat and the front passenger's seat, and will inflate to protect the occupant's neck

and head. They will be offered first as options on the new Mercury Cougar coupe this spring and the redesigned Ford Windstar this autumn.

Ford said that by the 2001 model year, side air bags would be optional or standard equipment on all its cars. They will be standard equipment on Ford's luxury cars and will become standard equipment on less expensive models as soon as buyers start consistently choosing them as an option, said Robert Rewey, Ford's group vice president for marketing, sales and service.

Side-impact collisions have in recent years accounted for a growing proportion of all deaths in U.S. traffic collisions — now a quarter of all such deaths — as front air bags and seat belts have made frontal collisions less dangerous.

The latest cars and most light trucks are required to carry air bags in front of both front seats as protection from frontal collisions. Regulators estimate that these air bags have saved 3,000 lives in the United States over the last decade, but the force of inflation has accidentally killed 96 people.

Automakers in the U.S. Are Starting to Adopt the Side Air Bag**AMERICAN TOPICS****A School in California Starts Suspending the Parents, Too**

Teachers and administrators in San Juan Capistrano, California, are fed up with rudeness and foul language. So under a new school policy, cursing a teacher can lead to suspension. The rule, however, aims not at students but at their parents.

Consider what happened to a school bus driver when he arrived late at one stop. An enraged father demanded the bus keys. When the driver refused, the man lay down in front of the bus. "He was going to hold the bus hostage until he could get the Los Angeles television stations down here to do an exposé," said James Fleming, the schools superintendent.

Another time, Peggy Swanson, assistant principal at a middle school, was in her office working. "All of a sudden," Mr. Fleming said, "but an employee does not have to be a doormat."

recounted, "her door blasts open, and there's a man standing there who says, 'Get the... off that phone and come out here and wait on me.' Then he says it again, louder and more obscene." The man wanted a copy of his son's summer school schedule.

"They talk about road rage," said Sharon Philippe, a Parent Teachers Association president. "These events can take on that sort of atmosphere."

Under the district's new policy, when a parent shouts, curses or becomes demeaning, the parent can be "suspended" and told to leave. If necessary, the police are called. Suspended parents are barred from school grounds for a week.

Ron Wenkart, a school attorney, said that San Juan Capistrano, a picturesque mission town, is not known for unusually aggressive residents. "It's happening all over the country," he said.

Overcrowding is sometimes to blame. Parking lots are hot spots, where teachers directing traffic have been screamed at and even bumped by cars. "We don't have to call police every time somebody hollers at us," Mr. Fleming said. "But an employee does not have to be a doormat."

Short Takes

El Niño has delivered a savage blow to squid fishermen along the California coast. Coastal waters are up to 6 degrees Fahrenheit warmer than usual. This has been a boon for sport fisherman because of the greater abundance of exotic species, but has sent squid, now the biggest staple for the state's commercial fishermen, into deeper waters.

From hauls of 100 million pounds last year, catches of squid have dwindled to near zero, reports the Los Angeles Times.

A municipal judge in Washington state who admitted drinking beer with a defense lawyer and the prosecutor while a jury deliberated a drunken-driving case has resigned. Judge Ralph Baldwin of Lakewood went out during jury deliberation to buy a 12-pack of beer. He invited jury members and the lawyers to join him for a drink after the jury returned a guilty verdict. His resignation from the \$65,000-a-year job came a day after the state's judicial watchdog board brought charges against him.

Brian Knowlton

CLINTON: Democrats Strike Back While Starr Continues Compiling Possible Impeachment Report

Continued from Page 1

not fallen, and Democratic fund-raising efforts, far from being crippled, appear to have been energized. While Republicans maintain a sizable overall lead, contributions to the Democratic National Committee are expected to exceed projections by 84 percent for the latest quarter, officials said.

Many voters say the Starr investigation has overreached and used improper tactics and they see the inquiry as politically motivated. Clinton supporters have recently sought to exploit such sentiment by pointing to reports that right-wing contributors have donated money to some of Mr. Clinton's chief critics.

Rahn Emanuel, a senior political adviser to Mr. Clinton, has vigorously pressed

the charge that Mr. Starr is part of a coordinated Republican attack on the president.

"Ken Starr's report will be bound and tabbed in a GOP notebook," The New York Times quoted Mr. Emanuel as saying, referring to the Republicans. "There is a seamless web among Starr and the speaker and Dick Armeay. At the rate we're going, I would not be surprised if the speaker and majority leader are being e-mailed each chapter from the office of independent counsel."

The office of the House speaker, Newt Gingrich, Republican of Georgia, dismissed the suggestion. "The speaker knows nothing more than what he's read in the newspapers or seen on television," said Christina Mar-

tin, a Gingrich spokesman. Lawyers in Mr. Starr's office have been working for about a month to draft portions of the Lewinsky report, sources told The Washington Post. They said that the report was expected to include testimony from witnesses who have appeared before the grand jury since January, secret tape recordings of Ms. Lewinsky discussing what she described as her affair with Mr. Clinton and other evidence, such as White House logs, meant to corroborate Ms. Lewinsky's taped statements.

Mr. Starr could include evidence against the president from the Whitewater part of the investigation. The grand jury in Little Rock, Arkansas, expires on May 7.

Starr advisers say he is keenly aware that submitting the report too late in an election year — congressional elections will be held the first Tuesday in November — might make it appear to be patently partisan. What form the final Whitewater report will take has not been decided, a source knowledgeable about Mr. Starr's office told The Post.

"It's unclear whether it will be a full explanation of all the events or a truncated version that says, 'We've investigated all these issues and not brought indictments,'" the source said.

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El Niño Drought Hits Panama Canal

As Water Levels Plunge, the Authorities Limit Weight of Some Ships

By Serge F. Kovaleski
Washington Post Service

PANAMA CITY — El Niño has claimed another victim — the Panama Canal.

A drought brought on by the weather phenomenon has gripped the canal for 14 months, lowering its water level, and has forced authorities, for the first time since 1983, to limit the weight of some ships that travel through it.

Meteorologists expect this year's exceptional El Niño weather patterns to end in Panama in three to five months. El Niño is a large warm water current in the Pacific that affects weather in many parts of the world.

But scientists said that even if the rainy season began on time at the end of this month, the water level of the lakes and rivers that feed the canal would suffer because the surrounding soil was so dry. For the Panama Canal, 1997 was the driest year this century, with rainfall 35 percent below normal. The second driest year was 1976, when rainfall was down 28 percent.

Jorge Espinosa, a meteorologist at the canal commission, said, "This is the strongest Niño we have ever experienced in the canal. We are talking extremes." He added that had the waterway not been deepened by three feet to 43 feet (13 meters) after El Niño in the early 1980s "we would have a real serious problem here."

cargo or the amount of fuel they carry as a result of the new limitations on their draft — the depth of water a vessel requires to float.

In the meantime, during a period of relatively low shipping rates stemming from strong competition, ship owners have started to charge their customers more to transit the canal because more vessels are needed to carry the same amount of cargo.

INTERNATIONAL

Tobacco Chief Calls Settlement 'Dead'**Reynolds Co. Will Not Cooperate Because of New Bill in Congress***The Associated Press*

WASHINGTON — The head of R.J. Reynolds Co. said Wednesday that his company would no longer work toward getting Congress to approve a comprehensive tobacco settlement.

He said that his firm stood behind a deal negotiated with 40 states last summer, but that tougher legislation now moving through Congress was not acceptable.

Steven Goldstone, chief executive officer of RJR Nabisco Holdings, said a leading legislative proposal was designed to raise money for government and might bankrupt his company.

The proposal, fashioned by Senator John McCain, Republican of Arizona, would require the tobacco firms to pay billions more than the deal reached last summer without providing full protection from smokers' lawsuits.

Mr. Goldstone said the legislative effort was "broken beyond repair."

"Today it is very clear to me that we have failed in our effort to achieve a comprehensive resolution of the contentious issues surrounding tobacco in

our country," he told the National Press Club.

Further, Mr. Goldstone said, "I have told my colleagues in the industry that effective today, I no longer see any purpose in working toward the June 20th national settlement."

He said he still supported the agreement negotiated last year, "but I see no possibility in this environment to achieve it." Because of the roadblocks in Congress, Mr. Goldstone said, the settlement "is dead."

President Bill Clinton, asked earlier Wednesday about speculation that RJR would not support the tobacco bill, told reporters, "It certainly does not prohibit Congress from taking action to try to reduce teen smoking."

"I hope that RJR will reconsider, but there are a lot of options left that still have to be explored," he said. "I've been working for two years on this. I don't intend to stop now."

The Clinton administration is urging Congress to enact even tougher legislation than the legislation passed by a Senate committee last week. The com-

munity-passed bill would force tobacco companies to pay \$506 billion over 25 years and curb advertising that critics say helps lure teenagers to smoke. But the bill also would deny the industry much of the legal protection from product liability suits that it won in the proposed settlement last June.

Under that agreement, assuming Congress went along, tobacco companies would have paid just \$368 billion and won significant protections against lawsuits by smokers and their families.

With momentum gathering behind harsher terms, tobacco companies have repeatedly threatened to walk away from any deal. And their cooperation is important because the bill's restrictions on advertising could be challenged as unconstitutional.

Mr. Goldstone said tobacco companies had not realized "the depth of mistrust" toward their industry.

He said the administration, Congress and public health advocates had all worked to undercut the deal the tobacco companies reached with 40 state attorneys general.



Ian Paisley, head of Democratic Unionists, continued to voice his dissent.

U.K. Scientists Fault Cancer Study*The Associated Press*

LONDON — British scientists heading a major international breast cancer study have criticized U.S. researchers for cutting short a drug trial and claiming that a drug halves the risk of developing the disease.

The Britons, including the doctor who pioneered trials with the drug, tamoxifen, accused the National Cancer Institute in Bethesda, Maryland, of acting prematurely, jeopardizing the U.S. study, and perhaps raising false hopes.

At a news conference on Tuesday, they said the U.S. researchers would now be unable to establish whether tamoxifen actually prevents cancer in high-risk women and saves lives, or delays the onset of the disease.

"Our emphasis is to try and get long-term data from this trial," said Tony Howell of Christie's Hospital in Manchester, England, co-chairman of

the seven-nation, British-led research project called the International Breast Intervention Study. "Unfortunately, the Americans will not be able to do that now because, to be frank, they are prematurely stopping their trial," he said.

The study, so far involving 4,500 women in Britain, Australia, New Zealand, Spain, Finland, Switzerland and Belgium, began four years ago. The researchers say they hope a total of 7,000 women will participate. The final results are not expected for several years.

On Monday, officials at the institute defended their decision to end the 6-year-old tamoxifen drug trial. Dr. Leslie Fonte said the standards set for the tamoxifen trial when it started were being followed. She said the trial was designed to ask whether tamoxifen could prevent breast cancer. "We all felt the question had been answered,"

she said. She said a statistical evaluation showed there was a clear difference in the incidence of breast cancer among women taking the drug compared to women who were not. Since half of the 13,388 women in the trial were getting a placebo, the study was stopped so that all of them could benefit from the drug.

But experts in London said they felt the action was precipitous.

"The Americans have unblinded the trial, which means it will be unbalanced and they will not be able to answer many questions," said Dr. Trevor Powles of Royal Marsden Hospital in London.

Dr. Powles, who in 1986 headed the first pilot study on tamoxifen's supposed anti-carcinogenic effects, said it looked as if the benefits of the drug were likely to substantially outweigh the risks but it was too early to be sure.

**BOSNIA: Karadzic May Have Fled Stronghold Under Pressure**

Continued from Page 1

Bosnian town of Omarska, outside Prijedor. Many of the prisoners, who included Muslim and Croat leaders and intellectuals, were taken from the camp and executed, their bodies dumped down nearby mine shafts, according to investigators. The men were indicted in February 1995.

The arrests were carried out by specially trained units in an area of Bosnia under the control of British troops.

There are 74 people from the former Yugoslavia who have been indicted by the court publicly for war crimes. The court has also issued an unknown number of secret indictments. There are now 25 suspects in custody in The Hague.

Special forces from France, the United States, the Netherlands and Britain have been training for several weeks to carry out a possible abduction of Mr. Karadzic from Pale, the seat of the Bosnian Serb wartime leadership, according to Mr. Karadzic from Pale, the seat of the Bosnian Serb wartime leadership, according to Western diplomats. These officials, who said they were unsure where Mr. Karadzic was or if he had left Pale temporarily, said an effort to seize him within a few weeks was under "serious consideration."

"Karadzic's days at large are becoming shorter and shorter," said Carlos Westendorp, the top international official in charge of implementing the peace agreement in Bosnia. "His power has diminished. He no longer has political control. His special police are now under the control of SFOR and the money he was able to make off the black market is scarcer and scarcer. The rope around his neck is tightening. Within a month he should be in The Hague, either because he goes voluntarily or because he is taken."

North Atlantic Treaty Organization commanders have estimated that they would need 800 troops backed by heli-

copters gunships and armor to capture Mr. Karadzic, who is guarded by 400 well-armed special police. These commanders have been reluctant to go ahead with a snatch, fearing a popular backlash by the Bosnian Serbs against the 34,000 NATO-led troops. NATO planners have estimated that the operation would leave between 20 and 40 dead among the assault force, a number considered too high by many NATO countries, especially France.

Western diplomats in Sarajevo, however, said they believed that the heavy firepower at the disposal of the NATO-led force would swiftly demoralize Mr. Karadzic's bodyguard. They also increasingly discount reprisals by Bosnian Serbs, who have seen their entity in Bosnia split into two parts, with a rival leadership based in Banja Luka openly condemning Mr. Karadzic and his associates as "war criminals."

"Two Apache attack helicopters and four tanks in front of his house would see these police surrender and leave like refugees," a senior European diplomat said. "I doubt at this point anything would happen."

The town, with its dilapidated chalets and rows of forlorn women sitting on the central street selling cigarettes, showed little life on Wednesday afternoon.

There were, however, signs that Mr. Karadzic's personal force had pulled out. A guard post less than a hundred meters from the three-story white-painted house of Mr. Karadzic, usually manned day and night, stood empty. The house itself, usually surrounded by the police, also appeared to have been abandoned. The factory where Mr. Karadzic works also appeared to be deserted and the usual contingent of police at the front gate withdrawn.

Neighbors of Mr. Karadzic said they noticed nothing unusual and insisted that he had not lived in his home for

months. Western diplomats in Sarajevo warned that any country offering him refuge would be pressured to turn him over to the international court in The Hague.

The war crimes tribunal has charged Mr. Karadzic and the former Bosnian Serb military commander, General Ratko Mladic, who apparently remains at a well-guarded military base in Bosnia, with two counts of genocide. The Bosnian Serb leaders oversaw the murder of thousands of Muslims and Croats during the war and drove tens of thousands from their homes in a brutal campaign of "ethnic cleansing."

"He may have just left Pale temporarily," Mr. Westendorp said. "If I were him, I wouldn't stay in Pale. If these rumors about him going to Russia are true, then this will be a problem for the Russian authorities. He may also be in Serbia. I would guess that the only safe country for him at the moment is North Korea."

Neighbors of Mr. Karadzic said they noticed nothing unusual and insisted that he had not lived in his home for

LEVIS: Jeans Maker to Resume Its China Business

Continued from Page 1

that he hoped Levi Strauss would allow his organization to monitor the company's factories.

But the decision may exacerbate concern about conditions in Asian factories that churn out goods for American companies. Nike Inc. was criticized last year when an internal audit found unsafe working conditions at a plant that made Nike athletic shoes in Vietnam.

A new report by the National Labor Committee, a human-rights advocacy group in Washington, says that factories in China routinely work their employees 60 to 70 hours a week.

When Levi Strauss announced its withdrawal in 1993, it seemed to be a lone holdout against corporate America's stampede into China. No other American company has followed suit — a fact that human-rights advocates said demonstrated the difficulty of using corporations to push for social reforms.

"We always want the corporations to play a role because they're so powerful," said Robin Munro, the director of the Hong Kong office of Human Rights Watch Asia. "But to get them to

flex those muscles is very hard."

Even Levi Strauss never fully abandoned China. The company still makes 800,000 units of clothing a year in the country — down from 3 million units before 1993. But it does not sell any clothing there.

Mr. Jacobi said Levi Strauss decided to withdraw from China after it found evidence of child labor, forced labor and a military presence at factories that produced Levi Strauss clothing. The company's guidelines prohibit it from using factories that permit child labor, forced labor or excessive work hours.

"We were concerned that our association with these kinds of things would put our reputation at risk," he said.

But Mr. Jacobi said Levi Strauss temporarily halted its "phased withdrawal" from China two years ago amid signs that labor conditions were improving. It decided to throw open the door to China after intense lobbying from its Asian division and after consulting other multinational companies active in the country.

The company, which is based in San Francisco, now even plans to start a direct-marketing operation in the mainland. It already has

such an operation in Hong Kong.

Jim Fraser, the president of Levi Strauss Asia Pacific, said China could become the key manufacturing center for the company's Japanese and Korean markets, which generate two-thirds of its \$468 million in Asian sales.

China's thawing relationship with the United States did not play a part in the company's decision, Mr. Jacobi said. But he acknowledged that it was easier to make such a move in this climate.

In 1993, Levi Strauss' decision to leave put an uncomfortable spotlight on the company.

Mr. Jacobi said Levi Strauss would vigilantly monitor its new Chinese factories to make sure they complied with the guidelines. But some labor activists said that even well-intentioned companies have found it difficult to police every factory — in part because the contractors often dole out some work, such as sewing buttons or stitching pants, to smaller factories.

"We can't imagine how you could effectively manage these codes of conduct," said Jennifer Porges, a spokesman for the Asia Monitor Resource Center, a human-rights group that focuses on labor issues.

"We cannot afford to concentrate all our eggs in one basket," Mr. Siew said.

"As long as mainland China does not renounce the use of force on Taiwan, political risk is something that our business will have to take into account."

Nonetheless, the level of Taiwanese investment on the mainland has now led to an ironic convergence of interests highlighted by the annual debates in the United States over the extending of most-favored-nation trading privileges to China. "If the United States did not give mainland China's most-favored-nation status, our investors would most definitely suffer," said Mr. Chiang of the Council for Economic Planning and Cooperation.

Netanyahu Sends Envoy To U.S. for Fresh Talks*The Associated Press*

JERUSALEM — Prime Minister Benjamin Netanyahu dispatched a senior adviser to the United States on Wednesday for fresh talks on Israel's overdue West Bank withdrawal, and Jewish settlers threatened to seize more land if the Palestinians declared statehood.

Yitzhak Molcho headed to Washington in advance of a return visit to the region by the U.S. special envoy Dennis Ross. Mr. Ross is expected to arrive after Passover week, which begins Friday night.

"Molcho is taking with him progress reports," Mr. Netanyahu's adviser, Uzi Arad, said on Israel's Army Radio. "The process is moving forward, and more progress is expected."

Mr. Arad said Mr. Molcho would also ask the Americans for "clarifications" on several points.

The United States is pressing Mr. Netanyahu to withdraw from 12 to 15 percent of the West Bank in the next stage of withdrawal, but Mr. Netanyahu has said he cannot give more than about 9 percent. Israel has engaged in a flurry of diplomacy aimed at preventing a public announcement of the U.S. initiative.

The Palestinians have said they expect far more than 15 percent in the next withdrawal, but have privately signaled they would accept the American plan.

Israeli news reports said Wednesday that Mr. Netanyahu's government was considering a plan under which Israel would own over 9 percent of the West Bank to full Palestinian control, and 3 percent more to Palestinian civil control.

The Palestinians currently have full or partial control over 27 percent of the West Bank and most of the Gaza Strip.

The Israeli cabinet secretary, Danny Naveh, speaking on Israel Radio, said he did not know of any such proposal.

Jewish settler leaders, meanwhile, said they were preparing a contingency plan in case the Palestinian leader, Yasir Arafat, makes good on his vow to declare an independent Palestinian state if no final peace settlement is reached by the May 1999 deadline set in interim Israel-Palestinian agreements.

The settlers are pressing the government to pass a bill saying that if Mr. Arafat makes such a declaration, Israel will annex all territory under Israeli security control, Army Radio said.

Hamas Urges Attacks on Jews

The military wing of the Muslim militant group Hamas urged Muslims and Arabs around the world Wednesday to attack Jewish targets to avenge the death of Muhammed Sharif, who was killed by other members of Hamas.

PLANTS: Many Threatened

Continued from Page 1

are in trouble. For example, 75 percent of the yew family — which produces the anti-cancer drug taxol — is threatened with extinction globally. Even familiar groups are in trouble, including approximately 14 percent of roses, 32 percent of lilies and irises and 29 percent of palms.

Widespread extinctions might affect medical science, according to the report. More than half of all prescription drugs are modeled on natural compounds and a fourth are taken directly from plants or are chemically modified versions of plant substances.

"Plants have historically provided some of the most important drugs that we have," said a chemist, David Kingston of Virginia Tech University. That list includes such celebrated staples as morphine, aspirin and quinine, as well as a number of less common drugs such as anti-cancer medications derived from the periwinkle.

"We've screened about 50,000 plant species so far and gotten about 50 drugs," Mr. Kingston said. "so that's about one per thousand." The loss of 34,000 species, therefore, might doom development of 34 pharmaceuticals if the same ratio applies.

Diversity provides a biological buffer "against things like climate change or migrations," said a U.S. Fish and Wildlife Service biologist, John Fay. "Every time we lose a species of plant we're losing a unique gene pool that has undetermined but possibly very significant benefits to mankind."

The 862-page report, titled "1997 IUCN Red List of Threatened Plants," was produced by the World Conservation Union, which is known as the IUCN, with the Smithsonian, the World Wildlife Fund, the Nature Conservancy, the Royal Botanic Gardens in Kew and Edinburgh, and 10 other government and independent research and conservation groups in a half-dozen countries.

The U.S. figures from the report agree in general with a 1987 study from the Center for Plant Conservation in St. Louis, which found about 25 percent of American species in danger. Then as now, said Anuradha Sud, the center's manager of conservation programs, it is difficult to quantify the significance of shrinking biodiversity.

"We just don't know how important these things are," she said, "and that's what makes it so hard to say definitively that this is so terribly serious."

INTERNATIONAL

Mayor's Arrest Worsens the Schism in Iran

By Douglas Jehl
New York Times Service

CAIRO — A growing outcry in Iran over the detention of Tehran's powerful mayor in an investigation into corruption has exposed deep schisms between the moderates, who triumphed in presidential elections a year ago and the conservatives who have dominated the country since the Islamic Revolution of 1979.

The mayor, Gholam-Hossein Karbaschi, 44, is a close ally of President Mohammed Khatami, the moderate cleric elected in May with about 70 percent of the vote. Mr. Khatami's government and its supporters have condemned the mayor's detention as groundless and politically motivated.

But they have proven powerless to reverse the action, which was ordered by leaders of the judiciary, Tehran-based diplomats and analysts say.

Mr. Khatami has no direct authority over the judiciary, whose hard-line leader, Ayatollah Mohammad Yazdi, reports to Ayatollah Sayed Ali Khamenei, the conservative who succeeded the revolutionary leader, Ayatollah Ruhollah Khomeini, as Iran's supreme leader.

But Mr. Khatami came to power promising to restore "rule of law" in Iran, and he and his people have boldly taken on the judiciary, condemning unauthorized invasions of people's homes and demanding the right of people to assemble and demonstrate legally. The arrest of the mayor is therefore seen as a direct challenge.

"The conservatives sent a message through the judiciary," said Jahangir Behrouz, a political analyst who lives in Tehran. "The message is that we have the power, too."

Although the judicial authorities arrested Mr. Karbaschi last Saturday morning, he has not yet been charged with any crime. He is being held instead under a statute that allows a suspect to be imprisoned for as long as a month pending completion of an investigation. He has repeatedly denied wrongdoing.

The arrest has brought to the surface the kinds of tensions that have simmered beneath Iranian politics since Mr. Khatami's stunning election victory

President Khatami condemned the detention of the Tehran mayor as politically motivated.

over a conservative supported by the country's ruling elite.

While the sheer magnitude of Mr. Khatami's election provided him with a substantial political mandate, it did little to alter the basic balance of power in Iran, as it is spelled out in the constitution drafted soon after Mr. Khomeini returned from exile in France to preside over the establishment of theocracy. The constitution grants supreme power to a religious leader regarded as God's representative on earth, and since Mr. Khomeini's death in 1989, that leader has been Mr. Khatami.

Mr. Yazdi has been scornful in responding to complaints about the treatment of Mr. Karbaschi and his subordinates, the subjects of a sweeping investigation into municipal corruption in Tehran

that judicial authorities began soon after Mr. Khatami's election.

Already, more than four dozen deputy mayors and other high-ranking municipal officials have been charged with corruption in the case. Many of those taken into custody have complained after being released that they were tortured in prison.

Under the constitution, Iran's president nominally heads the executive branch of the government, but the supreme leader holds sway not just over the judiciary, but also the police, the armed forces and Iran's state-controlled radio and television stations.

Reports in Iranian newspapers Tuesday said Mr. Karbaschi was interrogated for six hours Monday at Evin prison, a maximum-security installation outside Tehran, and that he would soon be tried in a court charged with prosecuting crimes committed by government employees.

He has also headed a powerful political machine that publishes a newspaper, and his support during the elections last year is regarded by Iranian analysts as having been crucial in Mr. Khatami's victory. But the mayor also has many enemies, not all of them political foes. He can sometimes be brash, and some Iranians have suspected there may be some truth to allegations of wrongdoing in the municipality, which under Mr. Karbaschi has imposed steep tax increases and charged entrepreneurs large sums for building permits.

In interviews as early as last October, Mr. Karbaschi called the investigations of him and his subordinates an attempt by the conservatives defeated in last year's elections "to take revenge" against the winners.



BOLIVIAN UNREST — Students in La Paz demanding state aid. They were backed by the striking Bolivian Workers' Confederation. In the central Chuapare region Wednesday, police and troops lifted coca-leaf farmers' roadblocks.

Rights Groups Urge Pressure on Kenya

NAIROBI — International human-rights groups urged diplomats and donors on Wednesday to increase pressure on the Kenyan government to stop ethnic violence, prosecute those responsible and carry on with democratic reforms.

Amnesty International, Human Rights Watch and Article 19 said that since December elections, moves to improve human rights had not been sustained, and international attention had shifted from Kenya.

Human Rights Watch said that politically instigated killings were still going on in central Kenya, and that thousands of persons displaced since 1991 in violence against communities of ethnic tribespeople that supported the political opposition had neither returned home nor received adequate aid.

sponsibility for the operation against the Hamas political leader, Khalid Meshal.

Mr. Ya'alon was replaced by Ephraim Halevy, a veteran Mossad official and diplomat. His appointment was announced last month.

(AP)

Lower House in Haiti Approves New Leader

POR-AU-PRINCE, Haiti — Haiti's lower house of Parliament on Tuesday approved President René Preval's nominee for prime minister, Hervé Denis.

The Chamber of Deputies vote was 41 to 23, with 3 abstentions. Mr. Denis needs Senate approval, and both houses must approve his government plan.

(Reuters)

For the Record

LAND AND PROPERTY DISPUTES — Human Rights Watch and Article 19 said that since December elections, moves to improve human rights had not been sustained, and international attention had shifted from Kenya.

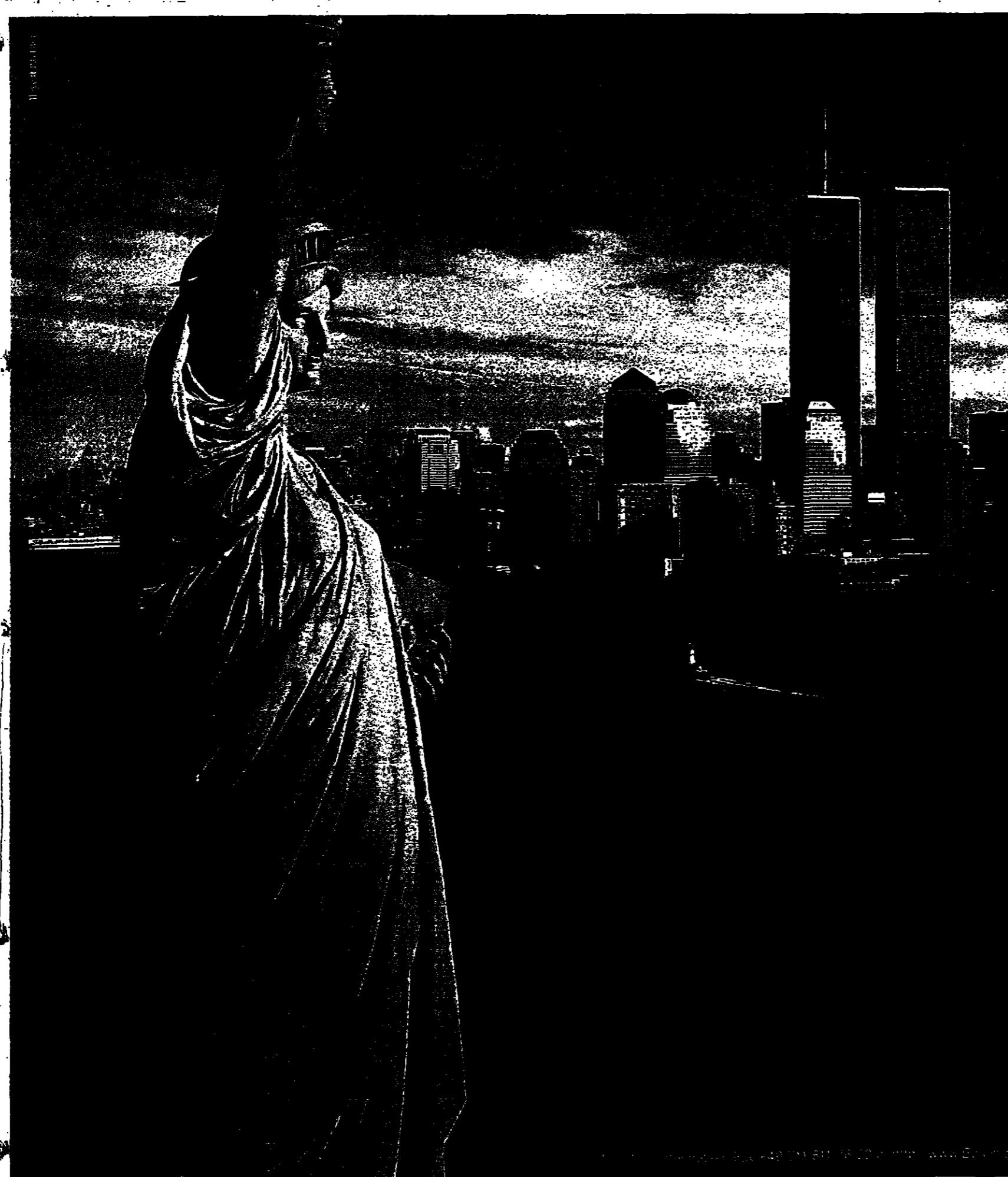
The Huave Indians and Zapotec Indians in the state of Oaxaca, in southern Mexico, exploded in violence this week, leaving at least 3 people dead and 20 others held hostage, the state attorney general's office said.

(AP)

A radio journalist who championed peasant farmers' rights, Isabel Chumpitaz, was slain at home along with her husband by about a dozen unknown assailants, the authorities in Piura, Peru, said.

(Reuters)

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ASIA/PACIFIC

U.S. Envoy Learning Ways of Japan

Some See Former House Speaker as Being Too Lenient on Tokyo

By Sheryl WuDunn
New York Times Service

TOKYO — As everyone from President Bill Clinton down hammers Japan these days to stimulate its economy, Thomas Foley is being a little bit more polite.

Mr. Foley, the former speaker of the House who is the new American ambassador to Japan, is conveying much the same message. But right now in Tokyo, his soft and diplomatic style may make him a more welcome envoy in the offices of Prime Minister Ryutaro Hashimoto.

Mr. Foley lives in a luxurious mansion, catered to by a domestic staff of 13 — not including his two Japanese bodyguards — and enjoys the status and privilege of a minor deity in Tokyo. But even Mr. Foley, who at 6 feet 2 inches (1.88 meters) towers over his Japanese counterparts as he exhorts them on weighty issues like the economy, is careful not to drop the full weight of American pressure

on the leaders here.

He knows himself what it is like to be put regularly in his place, especially by a small, elderly woman wearing a traditional kimono: his Japanese teacher.

"She has a very acute sense of what the proper Japanese form is," Mr. Foley said. "I'm looking for the shortest, quickest, easiest phrase, and she's, 'No, no, that's not really the best.'"

Mr. Foley is unlikely to be taken any time soon for a native Japanese speaker. But as he wrestles with beginning language classes, he also has an image to overcome as a longtime friend of Japan.

There was some grumbling in American business circles here, even in the U.S. Embassy, that Mr. Foley throughout his career had been too cozy with Japan and that he might not be tough enough.

His predecessor, Walter Mondale, was tough negotiator, while some trade hardliners worry that Mr. Foley may be a member of what is

deservingly referred to as the Chrysanthemum Club, meaning those who applaud Japan a bit too heartily.

They note that Mr. Foley has long been warmly regarded here, partly because of his roots in the Pacific Northwest, where trade with Japan is significant. He was only the fourth American ever to receive Japan's highest civilian honor, the Grand Cordon of the Order of the Rising Sun, the Paulownia Flowers, named after one of Japan's national flowers.

Since he arrived in November, Mr. Foley has cut ribbons at American trade shows, offered remarks at a Kentucky Fried Chicken outlet, eaten grilled salmon cooked in American styles, and held breakfasts for local American business groups.

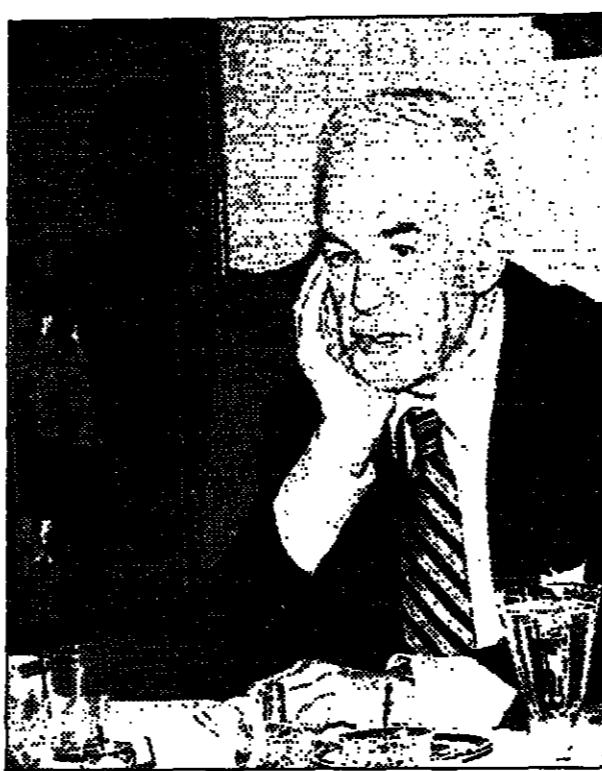
Mr. Foley has also tried to use his long friendship with Japanese officials to his advantage. As a congressman for 30 years, five of them as speaker, Mr. Foley regularly visited Japan.

"He has been pretty visible," said Glen Fukushima, president of the American Chamber of Commerce of Japan and a former Commerce Department official. "He's built up a Rolodex of Japanese contacts over the years, especially in politics."

Yet Mr. Foley has been a bit less public than some other U.S. officials in twisting Japanese arms to get Tokyo to stimulate its economy. In the last few months, Clinton administration officials have been increasingly blunt in demanding that Japan take major steps to boost its economy to help Asia out of its financial crisis and avoid a global downturn.

Mr. Foley has argued the same case, but, at least publicly, with a bit less heat than some Washington officials.

Still, Mr. Foley met briefly on Tuesday with Mr. Hashimoto, who plans to announce tax cuts on Wednesday. And he held meetings at the Finance Ministry last December just a day or so before Mr.



Tom Foley has an image as a longtime friend of Japan.

Hashimoto announced a surprise tax cut of nearly \$16 billion. It seems that Mr. Foley leaned heavily on Japan to take such a step, but he is careful not to claim credit for determining Japanese economic policy.

"We're not pulling our punches," Mr. Foley said. "We're being frank and candid on the economic side. We can give our advice and recommend, but ultimately it's not a matter where we can determine the decision."

Minister in India Quits Before Trial

Reuters

NEW DELHI — The minister for surface transport resigned Wednesday after a court that was investigating corruption ordered him to stand trial.

The resignation of the minister, R. Muthiah, was the first setback to Prime Minister Atal Bihari Vajpeyi's 20-day-old coalition government, an alliance that was put together more than a week after India's inconclusive general elections ended.

Mr. Muthiah is a member of the Bharatiya Janata Party's key southern ally, the All-India Anna Dravida Munnetra Kazhagam party.

President K.R. Narayanan, who accepted the resignation on the advice of the prime minister, directed Law Minister M. Thambi Durai to also take over the Surface Transport Ministry, a statement from the presidential palace said.

Mr. Muthiah, who belongs to a key Tamil regional constituent of the Hindu nationalist-led government, said he was innocent of the allegations of corruption for which a special court in the southern city of Madras said he should stand trial.

The court said Tuesday there was prima facie evidence to try Mr. Muthiah on charges of acquiring assets disproportionate to his known sources of income while he was speaker of the Tamil Nadu state legislature from July 1991 to October 1994.

"The inputs provided by the Directorate of Vigilance and Anti-Corruption are enough to frame charges against him," the judge ruled after dismissing defense arguments that the case against the minister was politically motivated.

The Press Trust of India news agency quoted Mr. Muthiah as saying he had resigned on moral grounds and would prove his innocence in court.

"This is nothing but political vendetta," Mr. Muthiah was quoted as saying.

BRIEFLY

Hong Kong Authority Wraps Up

HONG KONG — The appointed legislature that took office when Hong Kong returned to Chinese rule wrapped up its work Wednesday in a flurry of self-congratulation and bitter criticism foreshadowing an election campaign that will highlight Beijing's future role.

Although China has generally been credited with keeping hands off Hong Kong, human-rights groups and political parties pressing for more democracy say they see worrying signs of a slow rollback in the rule of law.

They charge that the legislature, appointed by China when it regained sovereignty on July 1, failed to challenge the Hong Kong government on any key legislation.

The legislature was "simply a rubber stamp," Yeung Sum, a leader of the Democratic Party, Hong Kong's largest said. "The coming legislature will be totally different."

Members of the legislature declared their work historic, and denied it was a rubber-stamp body. The new legislature will be elected May 24. (AP)

China Fights Over Holy Tooth

BEIJING — Adding a strange twist to its longtime rivalry with Taiwan, China claimed Wednesday that a holy tooth that Taiwan is hoping will improve the island's fortunes may not be so special after all.

Yet China's attempt to cast doubt on the authenticity of the tooth believed to have come from the mouth of Buddha appeared motivated more by politics than religion: While questioning the tooth's origins, Chinese officials have sought to have it brought to China, rather than Taiwan.

The 2,000-year-old tooth was given to Taiwan by Buddhist monks in India who say it was taken from a temple in Tibet in 1968.

The tooth is to arrive Thursday from Thailand. Thai authorities resisted Chinese pressure to return it to China, according to Master Hsin Yun, whose Fu Kuang Temple will house the tooth in Taiwan.

President Lee Teng-hui is to attend a mass prayer ceremony for the tooth Saturday. (AP)

Protest in Beijing Over Subway

BEIJING — Dozens of Beijing residents staged a rare public protest Wednesday over plans to demolish their homes to make way for a new subway line.

Witnesses said up to 50 people gathered outside the headquarters of the Beijing city government, just a few blocks from Tiananmen Square, the heart of the Chinese capital.

They were persuaded to leave in a bus provided by authorities, but only after a confrontation with roughly the same number of police officers. (Reuters)

16 Indonesia Students Injured

JAKARTA — Policemen fired tear gas and used riot sticks to stop students from marching into the streets during an anti-government campus protest Wednesday in Indonesia's second largest city, Surabaya.

Witnesses said at least 16 students were injured. Several thousand students from 13 universities joined the rally at the state-run Airlangga University, said Andi Ardianto, a lawyer from the Indonesian Legal Aid Foundation. He said two students were hospitalized. (AP)

Cambodia Approves Rally Aimed at Prince

The Associated Press
PHNOM PENH — Plans for a rally on Friday that will call for barring the royal family from politics have received government approval, the Interior Ministry announced Wednesday.

The protest is clearly aimed at Prince Norodom Ranariddh, who was deposed as co-prime minister last year, and will be staged a day before the scheduled return of his father, King Norodom Sihanouk, from medical treatment in China.

The demonstrators are scheduled to march on the National Assembly and to call on that body — which is overwhelmingly controlled by Prince Ranariddh's arch-rival, Hun Sen, to amend electoral laws to ban members of the royal family from politics.

Prince Ranariddh returned to Cambodia from nine months of exile for a five-day visit last week that was marred by violence by pro-Hun Sen demonstrators.

The prince, currently in

Bangkok, plans to return again to meet his father in the northern city of Siem Reap.

Meanwhile, a Cambodian labor union said it was planning a rally Friday against factory owners who did not obey labor laws.

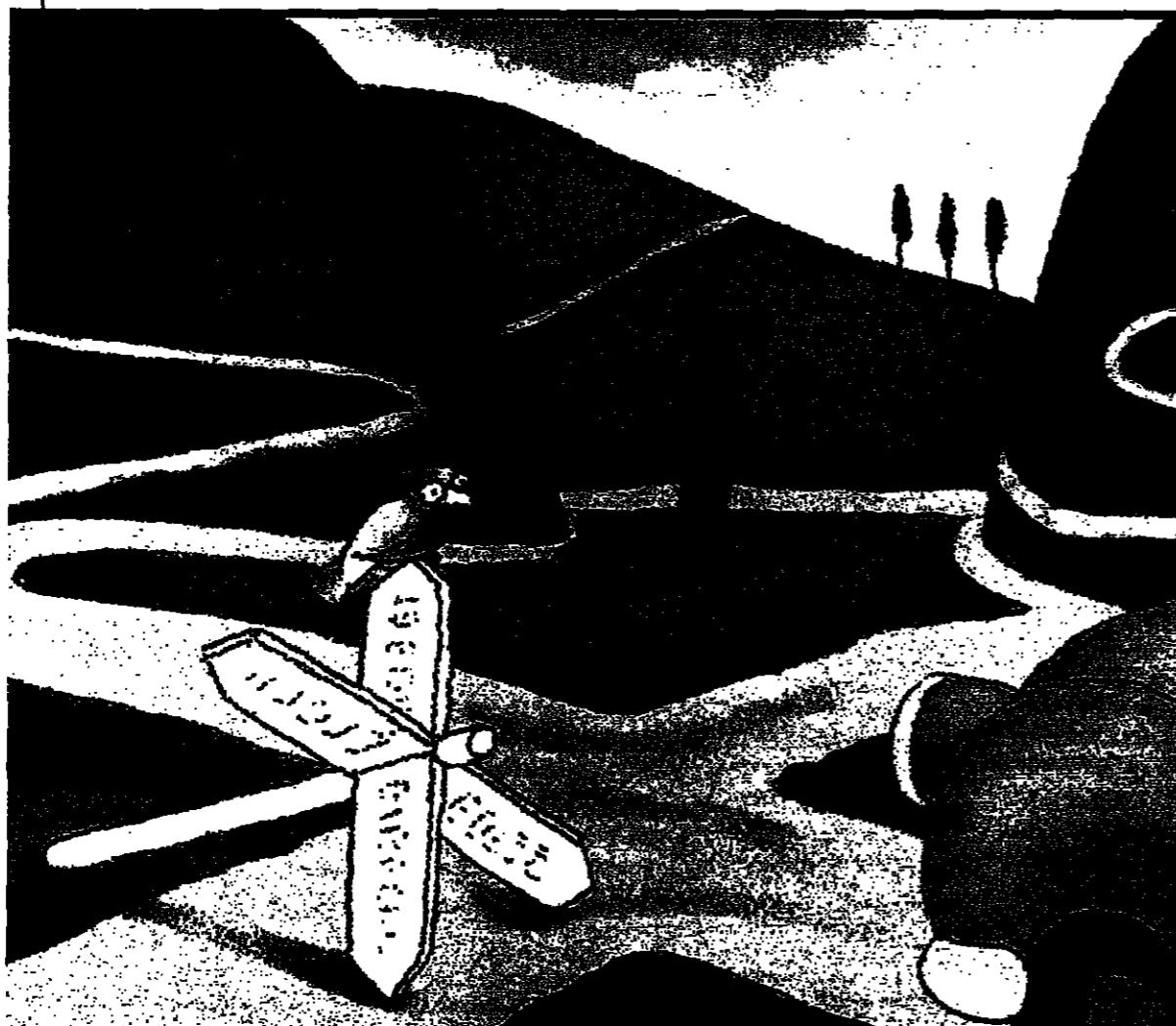
Foreign-owned garment factories have been accused of imposing harsh conditions on their workers in Cambodia, such as forcing overtime, paying substandard wages and not allowing sick leave.

The U.S. State Department urged American citizens to stay clear of the labor demonstration, fearing a repeat of a lethal grenade attack against a similar protest a year ago.

The Free Workers Trade Union is allied with the opposition politician Sam Rainsy. When a demonstration led by Mr. Rainsy, consisting mostly of women textile workers protesting Mr. Hun Sen's control of the judiciary, was attacked with grenades in March 1997, at least 16 people were killed and more than 100 wounded.

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er in India Before Trial

Reuters

The minister for surface transport after a court that was investigating him to stand trial. The minister, R. Muthiah, was the leader of the Bharatiya Janata Party's inconclusive general election candidate of the All-India Anna Dravida Munnetraiyam, who accepted the resignation of the minister, directed Law Minister M. Venkateswaran to take over the Surface Transport Ministry. Atal Bihari Vajpeyi's 20-day-old alliance that was put together before the minister's inconclusive general election candidate of the Bharatiya Janata Party member of the All-India Anna Dravida Munnetraiyam, who accepted the resignation of the minister, directed Law Minister M. Venkateswaran to take over the Surface Transport Ministry.

Here, Mr. Arnold, a 33-year-old city planner, says as he prods at the charts and diagrams that adorn a recently published book on the subject, are the places where Hitler and Eva Braun took refuge; here are the underground postal tubes that moved mail at a brisk 100 meters per minute ("the forerunner of the fax"), and here are places where spies dwelt and would-be escapees

As Berlin Rebuilds for the Future, the Nazi Past Keeps Resurfacing

By Alan Cowell

New York Times Service

BERLIN — For 10 years or so, Dietmar Arnold has been seriously, heavily into the underground. Not the political or musical underground, but the physical underground: the tunnels, caverns, bunkers, sewers and cavities that, he says, provide a subterranean history of Berlin that may soon be lost under the city's gargantuan rebuilding.

Here, Mr. Arnold, a 33-year-old city planner, says as he prods at the charts and diagrams that adorn a recently published book on the subject, are the places where Hitler and Eva Braun took refuge; here are the underground postal tubes that moved mail at a brisk 100 meters per minute ("the forerunner of the fax"), and here are

from communism found mole-like routes to freedom.

The latest discovery Mr. Arnold has chronicled, photographed and measured, though, raised other issues. The city authorities recently discovered the bunker that ran underneath the villa built for Josef Goebbels, Hitler's propaganda minister. And, embarrassingly enough, they also discovered that it ran perilously close to another site, the projected location of Berlin's contentious memorial to the Jews of Europe slain in the Holocaust.

The discovery of the Goebbels' bunker has opened a new argument that Mr. Arnold puts like this: If the dreadful results of Nazi genocide are to be eternalized in stone, then should not the sites of Nazi planning also be preserved?

It is one of Berlin's quirks that while other cities, like Paris and Moscow, have more ex-

tensive subterranean networks, and while yet others, like New York, boast deeper tunnels, none of those cities is being rebuilt as Berlin is.

And given Berlin's history — bombed and battered in World War II, and divided by a sterile "death strip" and later a wall — it is no surprise that the metropolis is rising atop what Hitler had planned as a 1,000-year Reich. "What is amazing enough is that no one had previously thought of exploring the earth underneath the former contentious quarter of the one-time imperial capital," wrote Wilfried Mommert, a journalist.

It is also true that Berlin is already freckled with monuments to that era, among them the Wannsee villa on the city's outskirts where the planning for Holocaust was finalized in January 1942, and the Sachsenhausen concentration camp.

Yet, the location of Goebbels' bunker provides almost a metaphor for postwar Ger-

many: Even as the nation craves a future in which it can come to terms with its modern history, it is undermined by the past.

Thus, Mr. Arnold said, historical records show that Berlin once boasted some 600 bunkers used for a variety of purposes, particularly to protect against Allied air raids during the war. So far, only 480 have been opened, measured and chronicled, he said.

"There are some bunkers that are important for the history of the city, and it's important that they shouldn't disappear because they reflect the entire epoch," he said.

In the area near the projected Holocaust memorial, he counted off a series of underground installations: Hitler's personal bunker, now covered by a parking lot; the bunker beneath Hitler's new chancellery building, now covered by a grassy knoll, and the bunker used by official

drivers. "Building the Holocaust memorial is not enough," Mr. Arnold said.

"Around here were all the people who organized the Holocaust. But people just want to destroy the bunkers and sweep the whole thing under the carpet."

Some would argue, by contrast, that the authorities do not really know what to do with these embarrassments from the past. In 1992, journalists, but not the general public, were allowed to enter some bunkers, which were then sealed.

According to Mr. Arnold, the bunker where Hitler and his mistress spent the final days of the war before their suicide was filled in by the East German authorities. On exactly the spot where a distinctive ventilation tower once stood over Hitler's personal concrete lair, Mr. Arnold said, there now stands a portable toilet used by construction workers.

BRIEFLY

Russian Protesters in Streets

MOSCOW — The Justice Ministry issued an appeal for order on Wednesday as the first protesters took to the streets on the eve of nationwide labor protests.

Trade unions and leftist political groups plan to stage strikes and demonstrations over mounting wage arrears that have left many on the breadline. About 2 million stopped work or joined rallies across Russia in a similar day of action a year ago.

The Justice Ministry said tensions were high and, noting a rise in "politically intolerant statements by public figures," it cautioned against playing on racial, ethnic and social divisions and against "fascism and other forms of extremism."

Reuters



Greek anti-terrorist police searching for evidence Wednesday outside the bank.

U.S. Bank Hit by Rocket in Athens

The Associated Press

ATHENS — An anti-tank rocket slammed into a branch of the U.S.-based Citibank here Wednesday, causing extensive damage but no injuries. The authorities said they suspected the terrorist cell November 17.

The government, urged by the United States and other nations to take more decisive steps against terrorism, promised to apprehend the culprits and "punish them to make an example of them."

The authorities have never arrested a suspect member of November 17, whose 22 victims since 1975 include the CIA station chief and three other Americans. The last attack it claimed responsibility for was the May 1997 killing of a Greek shipyard owner.

A government spokesman, Dimitris Repas, strongly condemned the attack and vowed a "seamless front" to combat terrorism.

The rocket, fired from the hood of a parked car, hit the bank shortly after midnight in the residential neighborhood of Kipseli, the police said. The bank's offices and three cars were damaged. The same Citibank branch has been bombed four times this decade.

sibility for Wednesday's attack. But Yiannis Giorgopoulos, the Greek police commander, said: "All the evidence points to November 17."

November 17 is the only terrorist group in Greece known to use rockets. Built around a mix of ultraleft and nationalist ideologies, the group is named for the day in 1973 when the then ruling military junta crushed a student uprising in Athens.

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Austria Pressured on Artworks

VIENNA — The opposition Greens party urged the government on Wednesday to clarify the origin of 241 artworks in Austrian museums that are believed to have been taken from Jews by the Nazis.

The Greens submitted a parliamentary request for information addressed to Elisabeth Gehrer, the minister in charge of museums.

In February, Miss Gehrer gave the first government promise to shed light on works the state kept back after 1945. She decreed that museums must clarify "beyond any doubt" their provenance.

AP

Cyprus Prelate Assails Gays

NICOSIA — The leader of Cyprus's Greek Orthodox Church, Archbishop Chrysostomos, has made a scathing attack on homosexuality as the Council of Europe gave the country one more month to decriminalize gay sex.

Only "enemies of our nation" would endorse decriminalization of homosexual acts, the archbishop said in remarks published in newspapers here Wednesday.

"If we don't stand firm and tell Europe this does not conform, not only to Christ's religion, but also to the moral standpoint of our nation, eventually they will come and tell us to be homosexuals in order to be accepted into Europe," he was quoted by the Cyprus Mail as saying.

Vatican Dismisses Spying Claim

ROME — The Vatican dismissed as fantasy on Wednesday an Italian intelligence report claiming that the Soviet KGB eavesdropped on the private residence of the Pope's chief negotiator with the Kremlin.

The intelligence report alleged that Marco Torretta, nephew of the former Vatican state secretary, Cardinal Agostino Casaroli, had been a KGB agent since the late 1950s and husband to a Czech woman, who used him to conceal microphones in Cardinal Casaroli's Vatican residence.

Joaquin Navarro, a Vatican spokesman, said, "This story is so fantastic it doesn't deserve a denial except to say that no nephew of the cardinal of that name exists."

The report issued Tuesday also claimed the Soviet secret police had plotted to discredit and possibly assassinate Pope John Paul II.

AFP

German Coalition Partners End Rift on Taxes

Reuters

BONN — The Bavarian allies of Chancellor Helmut Kohl said Wednesday that they were optimistic that a dispute within the coalition over a proposal to raise energy taxes had been resolved.

Bernd Protzner, general-secretary of the Munich-based Christian Social Union, said he welcomed a statement by Mr. Kohl that Germany would not raise energy taxes unless other European countries followed suit.

The rift, which threatened to weaken the con-

servatives weeks before an important state election, erupted after the Christian Democratic Union, Mr. Kohl's party, proposed raising the tax on energy. The plan was proposed by the Bavarian-based Christian Social Union, partners in the coalition government, which said the increase would jeopardize Germany's competitiveness.

Mr. Protzner was quoted in a local newspaper as saying Mr. Kohl's statement meant the coalition would not insist on an automatic increase in energy prices, suggesting there was no difference between

the two parties' positions on the issue. Mr. Protzner also said he expected the two parties to produce a joint election manifesto, dismissing suggestions that the Christian Social Union planned its own text.

Raising the energy tax has become one of the most contentious issues in the run-up to the election in the eastern state of Saxony-Anhalt on April 26, the penultimate state election before general elections are held in September. Last month, coalition members had ridiculed the Greens for proposals to triple gas prices over the next 10 years.

Reform Bill Advances

The French Assembly will examine next month controversial draft legislation to reduce the number of elected offices that politicians can hold, the government announced Wednesday. Agence France-Presse reported.

French Party Expels 3 Over Far-Right Ties

Reuters

Charles Millon, of the Rhône-Alpes region, Charles Baur of Picardy and Jacques Blanc of Languedoc-Roussillon were expelled for breaking a long-standing taboo and allying with the National Front to win election as chairmen of their regional councils last month.

The National Front, which President Jacques Chirac has denounced as racist and xenophobic, emerged as the kingmaker in five of France's 32 regions last month after elections saw the right-wing vote split between them and the mainstream conservatives.

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EDITORIALS/OPINION

Herald Tribune
INTERNATIONAL

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Saudi Transition

King Fahd's recent hospitalization was a reminder of the 76-year-old Saudi monarch's frailty. Power has been shifting to his half brother, Crown Prince Abdullah ibn Abdulaziz, since the king suffered a stroke in 1995. The crown prince is not as quick to embrace some American policy positions as King Fahd and is more sympathetic to Arab and Islamic causes. But the coming transition need not upset relations between Washington and Riyadh.

Saudi Arabia is an absolute monarchy, where oil revenues lubricate corruption among royal princes and civil liberties are denied. But its policies, and its stability, are critically important to the United States. The kingdom plays a dominant role in setting oil prices, and its support is essential to Washington's ability to project military power in the Gulf.

Recent outbreaks of Islamic terrorism in Saudi Arabia, including attacks against American installations there, are an indication of problems in the kingdom that Washington cannot afford to ignore. Reduced Saudi oil revenues and excessive purchases of expensive military equipment have created an un-

accustomed fiscal squeeze that the Saudi government needs to address.

Prince Abdullah has been frank about giving Saudi Arabia's national interests, as he sees them, precedence over diplomatic exhortations from Washington. He is friendly with Syria, has drawn attention to the suffering of Iraqi civilians and has led in repairing Saudi relations with Iran.

But his more independent approach is not necessarily bad for America. Though like King Fahd he resisted new U.S. military action against Iraq this year, Prince Abdullah seems to understand the dangers Saddam Hussein continues to pose to Saudi Arabia. He has also called for reforms of the financial, welfare and education systems and for a crackdown on corruption.

It is regrettable that the interests of the world's most powerful democracy are tied to the narrow dynastic politics of the Saudi leaders. One way to make that dependence less risky in the future and more bearable today is for Washington to encourage Prince Abdullah not only to modernize, but also to make Saudi Arabia more democratic.

—THE NEW YORK TIMES

Nonthreatening Merger

Congress dithers, so John Reed of Citicorp and Sanford Weill of Travelers Group grandly propose to modernize financial markets on their own. They have announced a roughly \$78-billion merger — the biggest in history — that would create the largest financial services company in the world, worth more than \$140 billion. If the merger is approved by regulators, Citigroup, as the company will be called, will serve about 100 million customers in 100 countries. In one stroke, Mr. Reed and Mr. Weill will have temporarily demolished the increasingly unnecessary walls built during the Depression to separate commercial banks from investment banks and insurance companies.

Mr. Reed and Mr. Weill would exploit legal and regulatory loopholes in the law to combine Citicorp, which provides commercial bank services, and Travelers, which offers insurance products and stocks, bonds and other securities. Because Citicorp would offer customers a huge menu of financial services, Mr. Reed and Mr. Weill envision profitable cross-selling. While Mr. Reed provided credit cards to Mr. Weill's insurance customers, Mr. Weill would sell securities to Mr. Reed's bank customers.

Some consumer advocates oppose the merger because, they fear, financial behemoths inevitably threaten ordin-

ary consumers. But one-stop financial shopping could actually protect naive investors. Under current laws, such investors can be pulled in contradictory directions by bankers offering retirement accounts, insurance agents offering annuities and securities dealers offering mutual funds. An institution that sells all these products can steer customers toward the product that best serves their needs.

The fact is that Citigroup threatens no one because it would not dominate banking, securities, insurance or any other financial market.

Customers might prefer cozier banks, and Mr. Reed and Mr. Weill might not be able to merge their egos. In that case, shareholders would lose. A collapse in the company's securities and insurance operations could drag down its commercial bank. But that will happen only if federal regulators fall sound asleep.

The proposed merger takes advantage of rules that allow commercial banks to operate alongside smaller securities companies and, for up to five years, insurance companies. Mr. Reed and Mr. Weill are betting that before the five-year window closes, Congress will finally bring banking laws into the modern era. If they can make the merger work for consumers, even Congress might follow.

—THE NEW YORK TIMES

UN Scolding Ranks

It rankles to hear the United States brought up at the United Nations on human rights charges. The world body, though it has changed, has not entirely escaped its earlier identification as home of a mutually protective majority of Communist and Third World rights violators. Some members ready to snipe at the performance of others shield their own continuing crudities behind the walls of a one-party state. This is the tradition evoked by a report of the UN Human Rights Commission on the death penalty in the United States.

A commission specialist from Senegal spent three weeks last fall investigating the practice. He was denied access to some number of federal and state justice and prison officials. His conclusions were that "race, ethnic origin and economic status appear to be key determinants of who will, and who will not, receive a sentence of death" and that executions of juvenile, retarded and mentally ill convicts are in violation of the 1966 International

—THE WASHINGTON POST

Fill the Benches

It seems that Senate Republicans would rather inflict damage on the U.S. judicial system than fulfill their constitutional responsibility to act with reasonable dispatch on President Bill Clinton's judicial nominations.

Five of the 13 active judgeships on the busy 2d Circuit Court of Appeals, covering New York, Connecticut and Vermont, are now vacant. Last week, the circuit's chief judge declared a judicial emergency. To minimize the disruption of cases, he authorized three-judge panels to be composed of only one 2d Circuit judge, with two visiting

—THE NEW YORK TIMES

Herald Tribune

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Coming to Terms With the War: It's Now or Never

WASHINGTON — No day is cre-ated anew in Europe, a continent colonized by its own past and memory. Americans often see themselves embarking into each new dawn armed with a mandate to overcome or escape the past by day's end. That American dream will provoke smiles, or jeers, in Paris or in Warsaw.

Today is no exception: While Americans are psychologically absorbed in preparing for the 21st century, Europeans are using the final months of the millennium to come to terms with the last vestiges of World War II and the heinous international crimes that inspired.

This effort is occurring in Europe's courtrooms, museums, banks, political parties and foreign ministries — in places where individual and national responsibilities for the past can be apportioned and converted into gain, justice or simply more memory.

Each effort is in one sense individual: stolen French art looted by the Nazis and then "lost" in private or state collections; Swiss bank accounts and assets hidden from Holocaust survivors or relatives; a belated German treaty that finally recognizes 60-year-old wrongs done to Czech refugees, or a variety of xenophobic political movements that distort history to enhance

By Jim Hoagland

and exploit modern racial tension. But these events and investigations are tied together by the reality that the life span of war criminals, victims, veterans and even the children who were touched by the war, however tangentially, is drawing to a close. Chronologically, the time to come to terms with World War II's outstanding liabilities is now.

Or never.

Collectively, the discussion of and action on history's lingering claims also concerns national identity at century's turn.

Once-deferred questions gain urgency today as Europeans move into a still uncertain continental redefinition of their money, politics and social contracts through the process of European Union integration.

The physical destruction and Cold War division of Europe wrought by World War II have faded, while the conflict's moral consequences have not been put to rest. Moral questions are surfacing acutely in countries that occupied the dubious middle ground of accommodation during wartime and then allowed national institutions to develop a remarkable forgetfulness

about the fruits of Nazi conquest that came their way.

The continuing search for Nazi gold hidden abroad in state treasures and for Swiss bank accounts holding Holocaust victims' assets are part of the unsettled legacy of the conflict. So are political demonstrations by SS veterans in Latvia and young neo-Nazis in Austria and Germany.

The concern about identity and history is most clearly seen at the moment in France, where the six-month trial of Maurice Papon has just ended. The aged and infirm former French administrator was convicted of complicity in the Nazis' crimes against humanity for having turned French Jews and others over to the Gestapo, but acquitted of having committed war crimes himself.

This split verdict and the 10-year sentence given Mr. Papon represent a compromise not only on Mr. Papon — who claimed only to have been following orders and to have helped the French Resistance even as he helped the Nazis — but also on France's dualistic legacy from the war.

Mr. Papon's claim of double duty echoed the experiences of the late François Mitterrand, who fought the German invasion in 1940, escaped from a prisoner of war camp and worked for the collaborationist Vichy regime when the

Nazis were riding high. He then became a major figure in the Resistance as the tide turned and was elected president in 1981. In all of these stages, Mr. Mitterrand incarnated France at the time.

France was victim, prisoner, accomplice and Resistance fighter at different times and in different proportions. This is what made Charles de Gaulle's ideology of grandeur so necessary in post-war French reconstruction. A master political psychologist, de Gaulle understood he needed to spotlight and create heroes that his people had by large not performed.

The Gaulist strategy, much ridiculed by resentful Americans, worked brilliantly for 40 years. But by sublimating and repressing the collaborationist side of France's wartime identity, the general created a time bomb that French society hears ticking very loudly now, as it confronts a rise in anti-Semitism and of extreme right-wing nationalism.

The belated prosecution of Mr. Papon and the vigorous political debate about extremism that President Jacques Chirac and others are demanding signal that France is now dealing more directly with its unfinished business from World War II than it has in the recent past. This is a development to be encouraged and, where needed, emulated by others.

The Washington Post

Deir Yassin and the Challenge That Israel Faces Today

CROTON ON HUDSON,

New York — Fifty years ago, in the midst of Israel's struggle to be born as a nation-state, a terrible event occurred.

On April 9, 1948, Deir Yassin, a village of some 700 Arabs on the outskirts of Jerusalem, was attacked by the Haganah, the official Jewish army, and by the Jewish irregular groups Irgun and Lehi.

These irregular organizations contributed much to the state: in their leaderships were two future prime ministers, Menachem Begin and Yitzhak Shamir.

What happened at Deir Yassin is well known, and though the number of dead is disputed — it ranges from 100 to 250 — the essential details have been confirmed by Palestinian and Jewish historians: Arab noncombatants were massacred by the Irgun and Lehi.

This massacre resounded throughout Palestine, and coupled with other massacres in other villages, it spread panic

By Marc H. Ellis

among the Palestinian Arabs, leading hundreds of thousands of them to flee.

In a letter to David Ben-Gurion protesting plans to resettle the village with Jews after the war, Martin Buber — one of the most prominent Jewish intellectual and religious figures of his time — and several others wrote that the massacre at Deir Yassin had become "infamous" throughout the world.

"In Deir Yassin hundreds of innocent men, women and children were massacred. Let the village of Deir Yassin remain uninhabited for the time being, and let its desolation be a terrible and tragic symbol of war, and a warning to our people that no practical military needs may ever justify such acts of murder."

Now, as Israel celebrates 50 years of Jewish statehood, what are Jews to do with this event, which signaled then and rep-

resents now the catastrophe within Palestinian history? What are we to do with Deir Yassin, the shadow side of Israel's birth?

For most Jews this event is forgotten or repressed, folded into the larger Jewish drama of the Holocaust and survival and safety in the state of Israel.

For some, the tragedy of the Holocaust is so huge that time spent thinking about this smaller event, which took place in the midst of a war in which terrorism was perpetrated by both sides, is unwarranted.

But perhaps this tragedy has been buried in Jewish consciousness for a more significant reason.

Could the recognition that the Palestinians have experienced a tragedy not unlike tragedies in Jewish history — this time at the hands of Jews — call Jews' commitment to Israel into question?

Perhaps this is why Ben-Gurion never responded to Buber's letter and why the Jewish leadership, after initially admitting to the massacre at Deir Yassin and expressing regret, has been silent over the last decades.

Buber never felt that his mourning over Deir Yassin meant a betrayal of Israel. For him, Deir Yassin was a call to recognize the evils of war, the limitations of statehood and the possibility, indeed the necessity, of confession and reconciliation with those who had been wronged in the creation of Israel.

Buber was a Zionist whose voice has been lost in the uproar of the competing parties and factions that make up Israel's political and religious scene today.

Unlike today's arguments over percentages of Israeli withdrawal from the occupied West Bank, Buber had a vision of a united Palestine in which Jews and Arabs would live side by side, affirming their own particularity and involved in a joint development of the Holy Land.

Could this be our vision today?

Forty years ago, Buber concluded his reflections on Deir Yassin with these words: "The time will come when it will be possible to conceive of some act in Deir Yassin, an act which will symbolize our people's desire for justice and brotherhood with the Arab people."

On the 50th anniversary of Deir Yassin, can we Jews recognize that the only act that can symbolize that desire is a full recognition of the Palestinians' equality as a people and a nation? Buber's vision is a challenge.

The writer, a Jewish theologian, has been a senior fellow at the Center for the Study of World Religions and a visiting scholar at the Center for Middle Eastern Studies at Harvard University. He contributed this comment to the Herald Tribune.

U.S. Must Come Clean on Central America Atrocities

By Thomas Buergenthal

WASHINGTON — Seven years after the crime, four Salvadoran national guardsmen convicted of murdering three American nuns and a church lay worker in 1980 have publicly confessed for the first time that they had acted on "orders from above."

The United Nations Truth Commission for El Salvador had reached the same finding in 1993, concluding that high Salvadoran officers, including the defense minister and the commander of the National Guard at the time, were involved in covering up the crime.

The four guardsmen were convicted of murder in 1984 and have been in a Salvadoran prison ever since. But the former defense minister, General José Guillermo García, and the former National Guard

are. They were political activists on behalf of the Frente [guerrilla movement], and somebody who is using violence to oppose the Cold War.

As a rule, the very people responsible for the crimes were either in the pay of our U.S. intelligence services or they were viewed as invaluable allies in the struggle against Communist subversion. That they were also frequent thugs and murderers mattered little during those years.

Only two weeks after the nuns were murdered, then-UN Ambassador Jeane Kirkpatrick was quoted as saying: "I don't think the government [of El Salvador] was responsible. The nuns were not just nuns; they were political activists. We ought to be a little more clear about this than we usually

are to be the desire to cover up their own incompetence or to protect themselves against charges that they violated official U.S. policies by participating in or not reporting human rights abuses by their foreign counterparts.

Since these agencies determine for themselves what information should be disclosed, that will embarrass them.

Half a year later, then-Secretary of State Alexander Haig suggested that the nuns may have been killed trying to run a roadblock. After reading these declarations, the Salvadoran authorities could be forgiven for believing that the United States did not want to know the truth.

The Cold War is over, but the terrible violations of human rights that were committed by both sides in Central America remain to be fully investigated. That may be the only justice the many innocent victims and their families will ever get.

Guatemala and Honduras have embarked on serious investigations.

Despite promised cooperation, the United States has turned over very little information to the Central Americans. Important files were also withheld from the Truth Commission for El Salvador in 1992 and 1993.

American officials always give the same excuses: the need to protect sources and intelligence-gathering methods. But my own experience in trying to obtain information for the Truth Commission convinced me that the real reasons that officials deny access have little to do with national security.

The predominant concern of the intelligence agencies tends

IN OUR PAGES: 100, 75 AND 50 YEARS AGO**1898: Dervishes Lose**

PARIS — [The Herald says in an Editorial:] The Sirdar's forces yesterday [April

OPINION/LETTERS

Judge Wright Was Right, But Clinton Will Still Pay

By Ellen Goodman

BOSTON — So, Judge Susan Webber Wright saved us from finding out whether the president of the United States has distinguishing characteristics on his genitalia.

For this rescue operation, and for spoiling all the fun, the Arkansas judge has been vilified as a traitor to her sex. She has been accused of making the workplace safe for sexual harassers everywhere and bringing glee to the hearts of bosses who will soon be fearlessly dropping their trousers in the corner office.

Now, I confess that when the judge dismissed the Paula Jones case, my own reaction was limited to four mumbled little words: I told you so.

More than a year ago, to much disbelief, I wrote (*IHT*, Feb. 25, 1997) that even if Paula Jones's tale was true, it was not legally sexual harassment. Not every piece of boorishness is illegal, nor is every pass sex discrimination. Not all creeps are criminals.

Jones v. Clinton was a lousy poster for the Sexual Harassment Poster Case of the year. It was never clear that Mr. Clinton was Mrs. Jones's "boss" in the real meaning of that word, that this alleged encounter was "workplace" discrimination, that she suffered employment consequences or that he created a "hostile environment."

The big-ticket victories against companies that allow sexual harassment have focused the corporate world wonderfully. But there is a cost-accounting that goes beyond court. It is the company reputation.

Which brings us back to the chief executive in the White House and the lessons from Arkansas.

I confess sympathy for Paula Jones the person, if not the plaintiff. She got a makeover, a Mercedes and a con job from the folks using her in their chess game.

But did the president get away with it? Whatever happened in that hotel room, any chief executive can tally up the costs of such a case.

In the real world the chill wind blows both ways. What company wants to bundle up against an accusation like that? Today the Clinton Enterprise has a long trail of names and faces, rattling like cans tied to the presidential limousine.

Sexual misconduct retains its place as a liability on the business balance sheet. It is calculated in no small measure by what we see in Washington: a huge debit of respect.

The Boston Globe.

BOOKS

DON'T TELL DAD: A Memoir

By Peter Fonda. 498 pages. \$25.95. Hyperion.

Reviewed by Jonathan Yardley

PETER FONDA wastes no time in telling us that "I am cursed . . . with a detailed memory that unfolds itself constantly on the plate of my past," then devotes 500 pages to prove the point. Although Fonda's memory is not picture-perfect, heaven knows it is copious, and heaven knows it has enabled him to go on and on and on in what may not actually be the longest Hollywood memoir ever but too often feels that way.

Everything is here. Fonda cannot bear to let go of anything. He always tells all. If he goes off on a cruise in his immense, lavish yacht, we ride every swell in the ocean; if he lights a joint, we take every puff with him; if he flees into the arms of women not his wife, we lie there with him; if he finds employment in yet another forgettable movie, we hear every call for "Cut"; if he rages against any sight, real or imagined, by his distinguished and distant father, we feel every peak and valley of his emotions.

This does produce a certain voyeuristic fascination, but it makes for an odd book.

As it happens, the least interesting aspects of Fonda's life are the ones he tells us the most about: the drugs, the women, the escapades, the movies. Of the last, surely those not already forgotten will be gone soon enough, even "Easy Rider," though it has a certain value as a curiosity, a period piece.

No, what is most interesting about Fonda is his lifelong struggle to assure himself of his father's love and respect, a struggle he recounts in fits and starts but

cannot — or will not — bring himself to confront head-on.

Fonda has spent much of his life behaving like an overgrown infant: making public scenes, spouting anti-authoritarian protests, indulging his quite expensive appetites and desires while insisting that he is merely a man of the people and friend of the environment. It has not been a pretty spectacle. But, typical of such behavior, its roots are to be found in insecurity, rejection, pain and loss.

A bright and deeply sensitive boy, Fonda was granted little chance to grow up normally. Not merely was his father famous and aloof, but his mother committed suicide before he was 10; the real truth about her death was revealed to him slowly, over many years, which only prolonged his grief and dismay. As soon as he developed a deep attachment to her successor, whom he still refers to as Mom2, that marriage ended. He bounded around from household to household, from boarding school to boarding school: a Dickensian childhood, in the lap of luxury.

He wanted what every child wants: the love of his parents. His mother's was taken away by a razor blade, and in any event it seems to have been given erratically; his father's was withheld behind a mask of reticence, impatience and anger. At times Peter Fonda's rage fairly bursts off the page, as when he mentions his father's performance in "Fort Apache," a notable John Ford film: "Dad played the part of Colonel Thursday, an unimposing, bitter, strict hard-ass.

When people ask me what it was like growing up as Henry Fonda's son, I ask them if they have seen "Fort Apache." Or: "He was a great actor, with a dazzling smile to pull from his trunk, but we all wanted what was in his heart, and he couldn't give it."

Yet the son rolled with every punch, praying that acceptance and reconciliation might at last arrive. When, in a fashion, they did, "years of frustration fell off my heart like melting snow sliding off a roof."

Fonda writes with contempt about the "psychobabble" to which some journalists who have covered his family are prone, but his own testimony will do little to discourage the amateur psychiatrists, because he engages in a fair amount of same himself.

Not to belittle Fonda's pain in any way, but this is a familiar case of the bright, sensitive child who feels rejected and unwanted, who grows into an adult for whom acceptance and praise and love are life's most compelling needs. For as long as there has been a theater there have been people drawn to it for exactly this reason: the most gifted have managed to fill the emptiness within themselves with the dramatized lives of others, and perhaps to bring some relief to themselves as well as pleasure to audiences.

It is not really clear whether Fonda believes he has managed to come to peace with himself. His second marriage has been happy, if not without tension, and he loves his children.

But though there have been occasional bright moments in his acting career, he has never really risen above playing Peter Fonda, or his idea of Peter Fonda. This has much to do with the movies in which self-projection is mistaken for acting, and much to do with Fonda's self-involvement. But whatever the precise explanation for it, the brutal truth is that however he may measure up against his father as a human being, their careers as actors simply do not bear comparison.

Washington Post Service

BRIDGE

By Alan Truscott

One great partnership ended at the American Contract Bridge League's Spring Nationals while another was revived. Bob Hamman and Bob Wolff, who have won nine world titles as partners in the last 26 years, played their last session together when their team, the top-seeded group led by Nick Nickell, was upset in the Vanderbilt Knockout Teams.

The Nickell squad, which had four straight Springold Knockout Teams victories from 1993-96, lost by nine imps to Marshall Miles, Mark Bartusek, Jim Robison, Robin Klar, Alan LeBouig and Jon Brissman. Hamman, who initiated the breakup because he wants to adopt more artificial bidding methods, will now play on the Nickell

team with Paul Soloway. All the other top-seeded teams survived into the round of 16, including George Jacobs of Burr Ridge, Illinois. He is playing with Ralph Katz, also of Burr Ridge, and their teammates are Lorenzo Lauria and Alfredo Versace, who have won many international titles representing Italy, and Alan Sonzag of Manhattan and Peter Weichsel of Encinitas, California.

Sonzag and Weichsel were a world-class partnership in the 70s and parted on a high note just after winning the Bermuda Bowl World Championship in 1983. They have come together again and are in fine form.

On the diagrammed deal from an early round, Weichsel found himself in five clubs doubled after the opposition had bid to four hearts, a contract that would have failed.

A heart was led to the ace, and East made a tricky return of the diamond six. Unluckily for him, Weichsel worked out what was going on and played low, making his doubled game when he followed by playing the club ace. The diamond decision was brilliant, based on some logical inferences.

East's jump cue-bid of three diamonds invited game in hearts, and West accepted. This suggested that West held a short suit somewhere, probably in diamonds. The play to the first trick showed that East held at most ace-jack of hearts and something else. The something else was probably in diamonds, since West's double suggested that he held the spade ace and at least one club trick.

In the replay the contract was five diamonds doubled, which had to fail by one trick. Even if South guessed the dia-

mond position, he was an entry short to take two finesses in that suit. Weichsel and his teammates gained 12 imps.

NORTH	WEST	EAST
K Q J 9 3	A 10 9 5	7 6 4 2
5	K J 8 7 4 3	V A 10 9 5
9 7 3	4	Q J 6
J 8 7 2	K Q	6 5

SOUTH (D)

Q 2	A K 10 8 5 2	A K 10 9 4 3
A	K Q 10 9 4 3	A

East and West were vulnerable

The bidding:

South	West	North	East
1 0	1 V	1 6	3 0
4 4	4 9	5 8	Pass
Pass	Dbl.	Pass	Pass

West led the heart seven.



LETTERS TO THE EDITOR

France's Woes

Regarding "France's Bugbear: Change, Not the National Front" (March 25):

This analysis of the far right's success in French regional elections castigated French politicians and France in general as being unwilling to accept fundamental changes — but failed to mention the French acceptance of a very big fundamental change, the euro.

The French have endured several years of high unemployment caused in part by the strictures of the Maastricht agreement on monetary union, a situation that helps

to start a small business today in France is so difficult that there is no incentive for an entrepreneur with an idea to open an atelier. Small businesses are faced with extraordinary costs: from high rents and social insurance contributions to accountants' fees and an exorbitant sales tax that must be passed on to the customer.

To encourage young creators, the French government must lighten the load on small businesses.

TIM MELLAGE
Paris.

Depressed and Sleepy

I was fascinated by the articles "Attacking Winter Depression: Tiny Doses of Melatonin Might Keep Demons at Bay," "Dealing With Sleep Deprivation" and "A Hint of Relief From Migraines" (*HealthScience*, April 6).

In the first, scientists suggest that winter depression can be related to our frustration at not being able to mesh society's artificial requirements with our natural biological rhythms. So we should take a pill to help us wake up earlier and potentially sleep less.

Then, in the second article, we are chided for getting too little sleep, and reminded that when clues to time are removed, humans sleep more than 10 hours a day to get the sleep they naturally need, "just as monkeys and apes do."

Finally, in the third article, we are recommended another pill to take to relieve some very excruciating warning signals of distress.

As someone who experiences all three of these conditions at various times, and who is beginning to learn to accept them as part of what I am and trying to adjust, I am still amazed that there is an attitude that anyone who suffers from these symptoms has an illness that must be treated.

Maybe an occasional depression is, to a certain extent, something we need to experience in order to survive. Maybe we are not supposed to feel good all the time! Perhaps migraines and other signals are also warning us about something, such as an incompatible lifestyle. If we ignore this and try only to relieve the symptoms, our organism may find a better and even more debilitating way to make us listen to its message. I don't think we were meant to all the time.

Our "primitive" forebears probably knew their own bodies and rhythms much better than we "advanced" folks do. Perhaps we should think about what we have become and look for ways to relieve our problems at the source, rather than giving the pharmaceutical industry free advertising for the next wonder drug.

ROBERT B. PAULSON
Isernhagen, Germany.

Advice From Ann Landers: Zip Your Lip, Ken Starr

By Frank Rich

CHICAGO — "I'm in the middle of everything," said Eppie Lederer.

She was speaking of Chicago, the hometown she loves, but she could have been pinpointing her own spot on the cultural map. As Ann Landers, Eppie Lederer has been the arbiter of Main Street

MEANWHILE

American mores since 1955, dishing out advice seven days a week in a column that the Guinness Book of World Records says is the most widely syndicated in the world, with 90 million readers in 2,000 newspapers. She receives 2,000 letters a day.

Eppie — no one calls her anything else — isn't slowing down as she approaches 80 (on the Fourth of July). I had come to her palatial apartment above Lake Michigan to learn how she and her readers had survived the Clinton sex scandals. "I have the pulse of the nation, so to speak," she said. "What's more, she might be the pulse of the nation."

A Democrat, she has kept her readers' trust by never endorsing politicians — or products or fads. While Ronald Reagan and Jimmy Carter appointed her to boards and Bill Clinton invited her to stay in the Lincoln Bedroom ("No money connected — I gave him nothing"). Eppie will vouch for the private life of just one of many presidents she has known: "Truman is the one I would bet on — that he was absolutely, totally faithful to Bess."

In other words, I asked, you don't find the Clinton scandals particularly momentous? Eppie abruptly got up, went to an adjoining room and came back with a big scrapbook. In it were photos of her visit with American soldiers in a Saigon hospital in 1967. "War is what's important," she said, turning the pages. "This is what counts — not this other kind of stuff about Linda Tripp. Who cares about Linda Tripp? The American people are pretty solid, they're pretty savvy, and they know what's important. That's why they're not screaming and yelling about Bill Clinton and some of these females."

Then Eppie put down the scrapbook to offer some advice. "This," she said, "is where you should end your column." *The New York Times.*

International Herald Tribune

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THE WORLD'S DAILY NEWSPAPER

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TribTech**Are 'Smart' Cards Getting Too Wise to Get Off the Drawing Board?**

By Gina Rarick
International Herald Tribune

PARIS — Almost no one disputes the potential of "smart" cards. The ubiquitous plastic cards embedded with foil-covered computer chips are being used for everything from pay phones to parking meters, from vending machines to mobile phones.

Companies are pouring money into developing still more applications for the technology, which allows a semiconductor chip as powerful as those in early personal computers to work on a plastic card. But have chip cards become a victim of their own success?

Projects to introduce smart cards for various uses have become entangled in plans for different parties to put their applications on a unified card, rather than burden the consumer with a different piece of plastic for each use. The result has been a series of promising pilot programs but few large-scale working applications for even a single-purpose card. Cards with multiple uses are, for the most part, still on the drawing board.

SGS Thomson Microelectronics, which supplies about 40 percent of the chips used in smart cards worldwide, predicts that the overall market for such chips will grow to \$1.4 billion in 2000 from \$513 million last year.

Q & A / Edmund Jensen, President of Visa

Large Retailers May Spur Revolution in Chip Cards

Edmund Jensen, president and chief executive of Visa International Inc., is retiring in December after a four-year tenure that saw Visa expand into chip-card technology. He recently discussed the future of smart cards with Gina Rarick of the International Herald Tribune.

Q: Is Visa convinced that a multiple-application smart card, combining an electronic purse, charge-card capabilities and other uses, is the wave of the future?

A: We're convinced that the "chip-technology-on-a-card-wave" is the right term to use. We're going to see that tide moving very rapidly in different parts of the world in the next five years. I doubt that money can be made on the electronic purse or stored-value function.

We think of the stored-value function in terms of cash on a card. But stored value also can be loyalty points. Large retailers in the world are going to be the driving force of moving to multiple functions on a card, simply to provide value to the customers.

Q: How seriously does Visa take competition from other electronic-purse developers such as Mondex, which is allied with MasterCard, and Proton, which is allied with American Express?

A: I think competition between technologies on the card is ultimately not where the game is going to be. Competition will be on the basis of the applications and the business propositions.

People talk about the technology, but five years from now the technology will be different. Cards will be interoperable. The real competition is in the applications of that technology.

Q: How much potential for chip cards do you see in Internet commerce?

A: I think it will be three to five years before smart cards will be used on the Internet.

There is such a wide potential there, selling goods and services, but consumers must have a willingness to accept that value. Over the next few years, the Internet will become much faster and easier to use. Speed, availability of product and catalogs on-line are going to cause growth in the next five years probably faster than what a lot of cynics are projecting.

The thing that seems to frighten consumers is the security. But we are installing the kind of security that's required. Down the road, the security will be easier and easier. We believe security needs to be on both ends of transaction. We think that's the right way to go. When that happens, customers' confidence will really grow.

Q: The United States is lagging the world in smart-card use. Why is that, and where do you see the most potential for smart-card development worldwide?

A: The U.S. is lagging, but not because of the consumer. It's lagging because of the infrastructure. There is a magstrip (magnetic strip) infrastructure in place, and it is working just fine.

The most sophisticated chips being used in smart cards today are 8-bit microprocessors that contain 64 kilobytes of memory — comparable to the brains of the dual-floppy-disk, second-generation personal computers.

But over the next two years, the top-of-the-line smart card will contain a 32-bit processor with as much as 1 megabyte of memory, said Jean-Paul Thomasson, marketing director of SGS Thomson's smart cards division. That means a smart card will have the power of a personal computer with an Intel 386 chip.

That puts the technology far ahead of the applications developed for it. "We are designing such a platform to be more flexible and more adaptable — basically, to be able to accept multiapplication technology," Mr. Thomasson said.

"If everyone cooperates, multiapplication technology will start very quickly," he said.

Today, however, even single-purpose cards can fail. In the United States, for example, Visa with great fanfare introduced an "electronic purse," or card that stores cash for small purchases, during the 1996 Olympic Games in Atlanta.

But after issuing more than 1.5 million of the cards, called Visa Cash, the credit-card company backed away from the

program, deciding that customers were not interested in a card that served only as a substitute for change and small bills.

Another problem for Visa Cash was the lack of "infrastructure." Customers found that many retailers were not set up to accept the new cards, and that limitation soured people on the idea.

"I really feel that when we break through with the issuance of multipurpose cards, that's the way it will go," said Edmund Jensen, president and chief executive of Visa International Inc.

Consumers, meanwhile, have no choice but to sit back and wait until their bank, cable-television company or local subway system gets with the program.

In France, the introduction of a chip card to pay bus and subway fares is being delayed because banks want to add an electronic-purse function to it. A national health card is having trouble getting off the ground because developers are finding more and more functions to include on the card, said Marc Lassus, chief executive of Gemplus, the French-based company that is the world's biggest maker of chip cards.

"The French have to build a Concorde when a *deux-chevaux* will do," Mr. Lassus said.

Pilot programs using smart cards for transit, which many in the industry see as one of the most effective uses for the

cards, are in place in several cities around the world, from Paris to Sydney to Hong Kong to New York. But only Seoul uses smart cards for its entire urban transport system.

"Transport cards are a little bit of wishful thinking; we have been talking about it for six years," said Roland Moreno, who invented the smart-card concept more than 20 years ago and now heads Groupe Innovation, an industry consultant in Paris. "Except for Seoul, there is no real-life application."

Despite calls for a smart "super-card" that can do it all, projects that have focused on a single application have been the most successful. In France, for example, France Telecom has been converting coin-operated pay phones into card phones since 1985. The company has sold 850 million disposable "smart" phone cards since then, including 115 million last year alone.

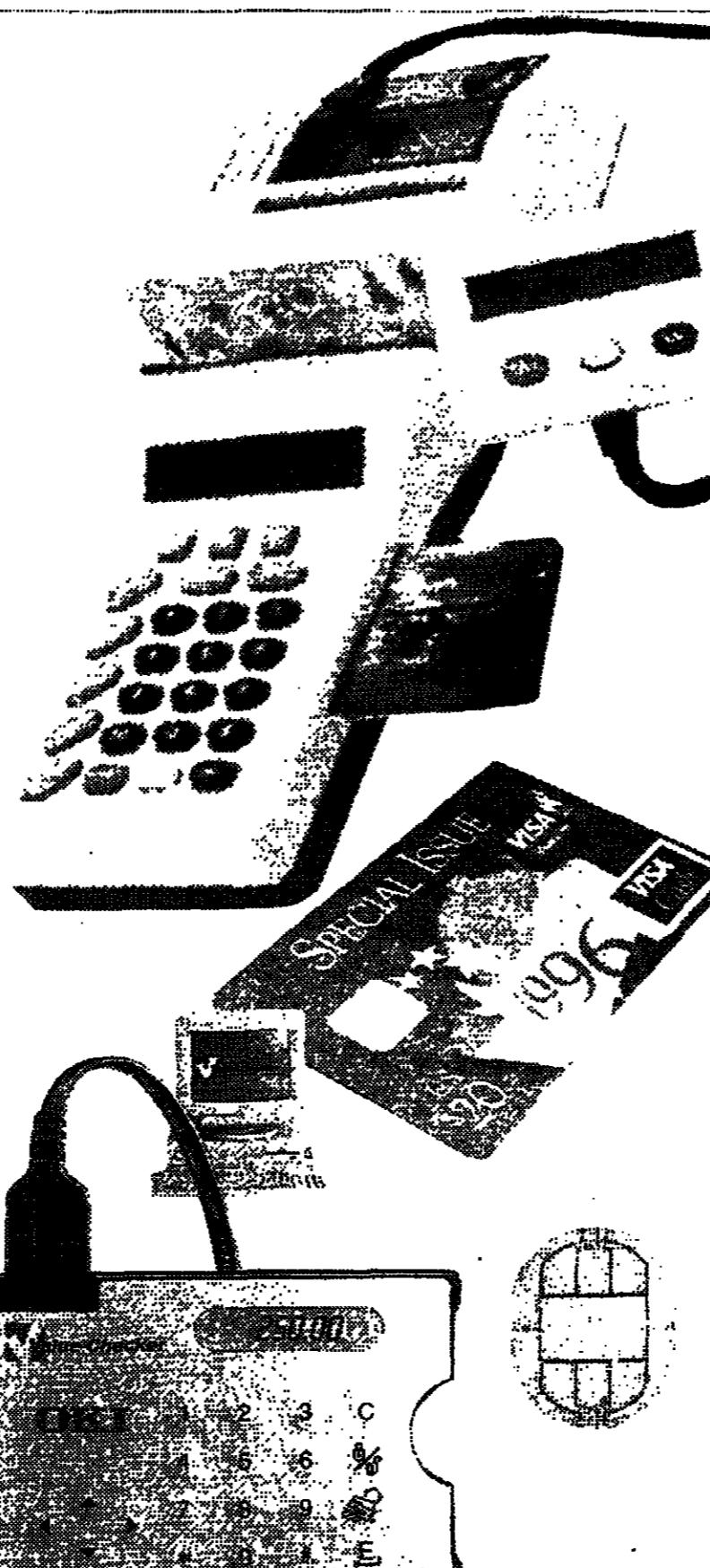
All of the 28 million Visa and Euro-pay bank cards issued in France carry a computer chip that is activated by a secret code. The cards are accepted for a much wider range of purchases than in the United States, where credit cards are, for the most part, still run through magnetic-strip readers and require the user's signature.

In France, a signature is not necessary, and the cards are accepted virtually everywhere, from fast-food restaurants and grocery stores to movie theaters, gas stations and parking lots. Using personal identification codes rather than signatures has cut credit-card fraud to 0.023 percent of all transactions last year from 0.1 percent in 1990, according to Cartes Bancaires, the French banking organization.

The market for chip-cards for mobile phones is also exploding. Phones using digital GSM systems come with a smart card that includes all of the users' preferences such as memory dialing and message functions. Because the chip is in the card rather than the phone, a caller can use any phone in any country that uses the GSM standard, just by putting the programmed chip into the phone.

SITES

Related sites on the Internet:
Basic information about smart cards and Visa's programs can be found at: www.visa.com/cgi-bin/veen/chip/main.html
Card Technology Magazine is at: cardtech.faulknergray.com
Gemplus's home page is at: www.gemplus.com



A sampling of the current state-of-the-art cards, chips and accessories.

TECHNOLOGY INDEX

A glance at technology stock indexes around the world			
	Tuesday close	% change previous week	% change year to date
Pacific Stock Exchange Technology	338.37	-2.20	+16.45
Standard & Poor's Technology Composite	816.66	-2.58	+16.68
Morgan Stanley Eurotec	553.22	-0.25	+43.62
Topix Electric	1720.71	-0.98	+4.66

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.iht.com>. Articles include:

- It's an E-Mail — It's a Letter, April 3
- Intel Affirms Malaysia Plans, April 3
- Sony Corp. to Meet Profit Forecast but Sees Difficult Year, April 3
- Foothold in Brazil for Telecom Italia, April 4-6
- Euro-Techies: Scars and Valuables, April 6
- Microsoft's Co-Founder Plans a Cable Buy, April 7
- National Semiconductor Defeats Intel With 'PC-on-a-Chip', April 7
- Murdoch Slams Europe's State TV Networks, April 7
- Face It: No Life on Mars, April 8
- Xerox to Cut 9,000 Jobs in Drive to Go Digital, April 8
- Motorola Cuts Short Stocks' Record Run, April 8
- Barn Rejects Telekom Fee Policy, April 8

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to tribtech@iht.com.

International Herald Tribune

BRIEFLY

A QUESTION OF IMAGE: Microsoft Corp.'s bitter legal clash with the Justice Department has begun to hurt the software publisher's reputation, according to a research organization that tracks brand recognition of technology companies.

Techtel Corp. of Emeryville, California, has found that negative opinion about Microsoft has increased measurably among the 900 people who serve as a panel of respondents surveyed each quarter. The panelists are chosen to represent a broad range of company sizes, business users and consumer households.

The Techtel survey indicates that the proportion of those holding positive opinions about Microsoft among general business users fell almost 10 percentage points in 1997, the first significant drop for the company since the survey began in 1992. By the end of last year, only 70 percent of the business users on the panel held a positive opinion of Microsoft's brand name,

positive opinion among consumers, meanwhile, fell five percentage points in the last quarter of 1997, to 67 percent of the consumer panelists. It was during that quarter that Microsoft entered a period of sustained controversy after the Justice Department filed an antitrust suit against the company's marketing practices with its Explorer Web-navigation software.

Microsoft's chief operating officer, Bob Herbold, said that the company, which has carefully watched its own customer-polling data in recent months, had found no measurable decline in its reputation among consumers. (NYT)

TACKLING EU JOBLESS : The European Commission urged European Union countries last week to look more seriously at the promotion of venture capital as a way to ease their unemployment problems.

In a report, the commission called on the 15 EU members to overhaul tax, regulatory and

accountancy rules to make it easier and more attractive for start-up companies, particularly in high-tech sectors, to raise funds and go public.

"Developing risk capital in the EU, leading toward the development of pan-European risk-capital markets, is essential for major job creation in the EU," the commission said.

About 18 million people, or 15 percent of the EU's working population, are unemployed, more than double the jobless rate in the United States or Japan. The 5,500 companies listed on the U.S. Nasdaq market employ about 9 million people, the commission report said. (Reuters)

A CORE CHANGE: The Apple Business Consortium has changed its name to the Technology Business Alliance to reflect a new focus on all types of computers and software for busi-

ness and education, not just Apple Computer Inc. products. The group, founded in 1991, will remain an independent, non-for-profit alliance based in Campbell, California, for software and hardware developers and manufacturers, resellers, consultants and end-users.

(Bloomberg)

OPEN WINDOWS: Windows CE, a Microsoft Corp. operating system that gives computer intelligence to consumer electronics products, is gaining momentum.

Sony Corp. and Microsoft announced an agreement Tuesday to cross-license one another's technology and work closely to fuse Windows CE with Sony's audio and visual technology standards. Nobuyuki Idei, the Sony president, said, "The time has come for the PC industry and the audio-visual industry to shake hands." The companies want home elec-

tronics equipment such as digital televisions, videocassette recorders and personal computers to be able to share data among one another. Windows CE, a close cousin of Windows 95 and Windows NT, has been under development for almost four years.

(WP)

A HACKING STAR IS BORN: Ehud Tenenbaum, the Israeli teenager who hacked into the Pentagon's computer system, was featured Tuesday in a full-page computer ad in the Yediot Ahronot newspaper. The 18-year-old gazes out at the reader, chin on hand, next to the slogan: "To go far, you need the best equipment." The ad is for Newtron computers, made by the Israeli company EIM. Mr. Tenenbaum, who used the name "The Analyzer" on the Internet, is being investigated by the Israeli police for his cyber-assault on the Pentagon's and other computer systems. He has not been charged. The FBI has said he confessed to the intrusions. (AP)

HUB ZURICH 10 MINUTES TRANSIT TIME

ECONOMIC SCENE

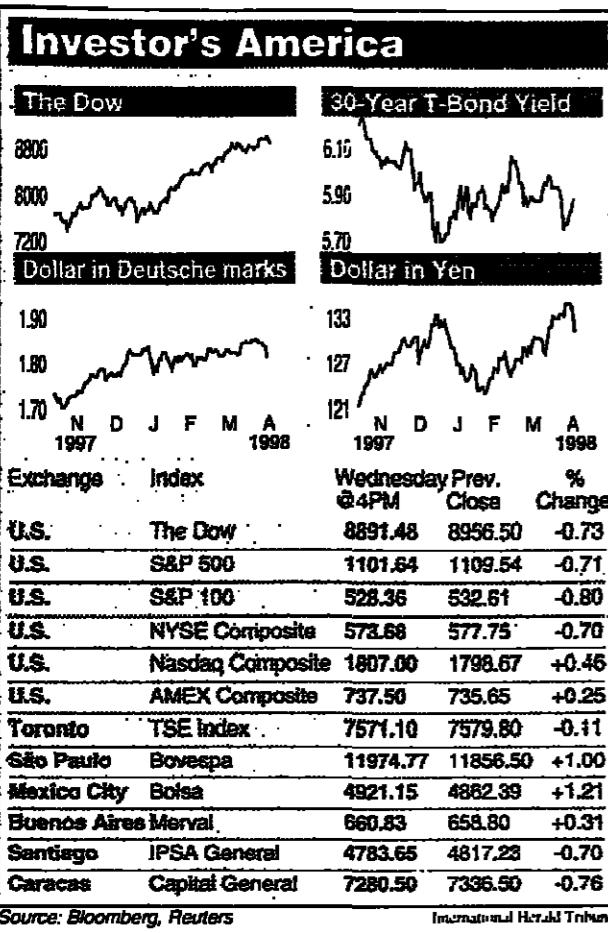
Academia's ST

Liaison

Novartis to Pour

Currency

THE AMERICAS



Investors Lock In Profit From Stocks

Credited to Our Staff From Dispatches

NEW YORK — Profiting after the recent rally pulled stocks lower Wednesday, with the exception of technology issues, which managed small gains.

The Dow Jones industrial average closed 65.02 points lower at 8,891.48, while the Standard & Poor's 500 index fell 7.91 points to close at 1,101.64. Losing issues outnumbered gaining ones by a 4-to-3 ratio on the New York Stock Exchange.

"You've had two great back-to-back quarters, and many people are selling stocks to lock in gains," said Philip Schettini, a portfolio strategist at Loomis Sayles & Co. "But we're still in a bull market."

Lower Treasury bond prices and corresponding higher yields also weighed on the stock market.

The price of the benchmark

30-year issue fell 22/32 point to 103 8/32, taking its yield up to 5.89 percent from 5.84 percent Tuesday. Prices were pressured by new supply after the Treasury sold \$8 billion of 30-year Treasury inflation protection securities, or TIPS, at a high yield of 3.74 percent.

AirTran Holdings rose 2 1/32 to 8 29/32 as the airline, formerly known as ValuJet, said it expected to be profitable for the second quarter and year after a first-quarter loss. (AP, Bloomberg, Bridge News)

U.S. STOCKS

Brothers Inc. said the two computer makers were the best-positioned companies to weather price wars.

Tobacco stocks rose after a deal that was struck last June between the industry and 40 states to settle liability lawsuits looked to be a failure.

Steven Goldstone, chief executive of RJR Nabisco Holdings, said the chance "to implement a comprehensive solution" to the controversy surrounding the health impacts of tobacco and settlement of possible health impacts has been lost.

RJR rose 1 3/16 to 30 4/16, while Philip Morris gained 2 3/16 to 39 3/4.

Twinstar fell 1 1/16 to 36

after the nutritional products company sold 8 million shares in a \$292 million public offering.

Traders and investors bought yen on expectations that Prime Minister Ryutaro Hashimoto would use a special news conference Thursday to announce tax cuts and new spending measures.

"If they finally came through with something that was in line with the headlines, that would be huge," said Matthew Robertson, a bond manager at Neuberger

Bowie Bond II: Songwriters Cash In

Reuters

hits are "Baby, I Need Your Loving," "I Hear a Symphony" and "Stop! In the Name of Love."

Since the rock icon David Bowie raised \$55 million last year with bonds backed by his future royalties, Mr. Pullman, 35, has talked with many stars — from Luciano Pavarotti to the Rolling Stones — and is working on making deals with others.

Mr. Pullman was unavailable for comment. He raised \$55 million for Mr. Bowie last year with bonds backed entirely by the anticipated flow of royalties from his first 25 albums and said he had more than \$100 million in such deals in the pipeline.

Mr. Pullman said in February that he was expecting to complete a bond deal for one of the top songwriting teams in U.S. history and another backed by Marvin Gaye and Freda Payne, is valued at about \$100 million.

Among some of their best-known

The Bowie bonds were bought by Prudential Insurance Co. in private placement last year and pay a 7.9 percent rate.

While issuing bonds for rock stars sounds exotic, Mr. Pullman has said there is little difference between these bonds and the more common types of asset-backed securities such as those backed by auto-loan payments or credit-card receivables.

The crucial element in any asset-backed deal is predictable cash flow. Mr. Pullman said, and any star who has consistently sold millions of records, tapes or compact disks annually over decades is a prime candidate.

Artists like the concept because it enables their heirs to pay estate taxes without liquidating inherited assets.

It also gives the artists themselves cash with which to invest and diversify.

Dollar Tumbles as Mark and Yen Rebound

Bloomberg News

NEW YORK — The dollar had its biggest decline against the Deutsche mark and yen in four months Wednesday, battered by prospects for Japan to take definite steps to bolster its economy and signs that interest rates may rise in Germany.

Traders and investors bought yen on expectations that Prime Minister Ryutaro Hashimoto would use a special news conference Thursday to announce tax cuts and new spending measures.

"If they finally came through with something that was in line with the headlines, that would be huge," said Matthew Robertson, a bond manager at Neuberger

which will meet in Washington next week, to lift its economy from a seven-year slump. On Tuesday, Mr. Hashimoto vowed to take "bold" steps if necessary to get the economy back on track.

Still, even an aggressive tax cut will only provide a temporary boost to the yen, some analysts said. Until there are clear signs the economy is turning

around, the yen won't be able to sustain a rebound, they said.

The dollar fell against the mark after Ernst Welteke, a Bundesbank council member, suggested that Germany may consider raising interest rates this year. Talk of a rate rise also stemmed from recent reports showing Germany may be shaking off its economic slump.

"Germany has been showing some rather robust numbers across the board," Mr. Robertson said.

The dollar fell to 1.8145 DM from 1.8373 DM, to 6.0810 French francs from 6.1620 francs and to 1.5096 Swiss francs from 1.5242 francs. The pound strengthened to \$1.6763 from \$1.6674.

Hand AA Year Deal

Very briefly:

• General Electric Co.'s profit rose 13 percent in the first quarter from a year earlier, driven by strong performances in its financial-services and equipment businesses. Earnings were \$1.89 billion, or 57 cents a diluted share. Revenue rose 12 percent, to \$22.63 billion.

• Dow Jones & Co.'s first-quarter earnings rose nearly 37 percent, to \$34.7 million, as sales rose to \$62.15 million from \$60.6 million. The profit increase was mainly caused by gains on sales of its interest in a television station and a magazine.

• Lew Lieberbaum, a New York brokerage concern, reached a \$1.75 million settlement of U.S. Equal Employment Opportunity Commission charges that the firm had harassed at least 18 female and minority-group workers.

• General Electric Co.'s first-quarter earnings rose 13 percent, to \$1.89 billion, led by its aircraft-engine and medical-systems units. Revenue rose 12 percent, to \$22.63 billion.

• UAL Corp.'s United Airlines said its passenger load factor fell to 70.6 percent in March from 74 percent a year earlier, with soft traffic continuing in the Asia-Pacific region.

• E*Trade Group Inc.'s second-quarter earnings doubled to \$6.1 million as the Internet-based brokerage handled 83 percent more transactions than in the year-earlier quarter.

• The U.S. Securities and Exchange Commission announced that its general counsel, Richard Walker, would become the agency's enforcement director. Mr. Walker, 47, will succeed William McLucas, who is leaving the SEC after eight years as enforcement chief.

• Charles Schwab Corp. said its brokerage unit's president and chief operating officer, Timothy McCarthy, had resigned, just six months after being named to head the division. The company has not named a successor.

• DDI Corp. of Japan and Cia. Suzano de Papel & Celulose of Brazil are leading a group that is to pay the Brazilian government more than 913 million reals (\$803 million) for a mobile-telephone license.

AP/Bloomberg, Reuters

Microsoft Suit Alleges Piracy

Bloomberg News

REDMOND, Washington — Microsoft Corp. said Wednesday it had sued nine New Jersey and Pennsylvania companies for copyright and trademark infringement, expanding its anti-counterfeit efforts in North America.

Microsoft's suits, filed in U.S. District Courts between March 4 and April 6, allege both distribution of illegal copies of Microsoft software delivered with new personal computers and illegal copying of software onto computer hard drives.

Microsoft said it had discovered the alleged violations through its anti-piracy telephone line and undercover investigations.

The New Jersey companies sued are A&N Audio Laboratories Inc., H&H Distributing Inc. and Ram Computer Products Inc. The Pennsylvania companies are A&A ITG Computers, C2 Services Inc., K&K Computer, Nexcom Inc., T Comp Computer Retail Services and Consolidated CD-ROM Inc.

INTERNATIONAL FUTURES

	High	Low	Last	Chg.	Open	High	Low	Last	Chg.	Open	High	Low	Last	Chg.	Open
CORN (CBOT)	1,000 bushels, cents per bushel	8.00	7.97	-0.03	8.00	8.00	7.97	7.97	-0.03	8.00	8.00	7.97	-0.03	8.00	8.00
JULY 98	257.25	257.25	257.25	-1.14	257.25	257.25	257.25	257.25	-1.14	257.25	257.25	257.25	-1.14	257.25	257.25
Sep 98	264.74	264.74	264.74	-0.28	264.74	264.74	264.74	264.74	-0.28	264.74	264.74	264.74	-0.28	264.74	264.74
DEC 98	276.14	276.14	276.14	-0.28	276.14	276.14	276.14	276.14	-0.28	276.14	276.14	276.14	-0.28	276.14	276.14
MAR 99	276.14	276.14	276.14	-0.28	276.14	276.14	276.14	276.14	-0.28	276.14	276.14	276.14	-0.28	276.14	276.14
MAY 99	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16	280.24	280.24	279.74	-0.16	280.24	280.24
JULY 99	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16	280.24	280.24	279.74	-0.16	280.24	280.24
Sep 99	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16	280.24	280.24	279.74	-0.16	280.24	280.24
DEC 99	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16	280.24	280.24	279.74	-0.16	280.24	280.24
MAR 00	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16	280.24	280.24	279.74	-0.16	280.24	280.24
JULY 00	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16	280.24	280.24	279.74	-0.16	280.24	280.24
Sep 00	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16	280.24	280.24	279.74	-0.16	280.24	280.24
DEC 00	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16	280.24	280.24	279.74	-0.16	280.24	280.24
MAR 01	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16	280.24	280.24	279.74	-0.16	280.24	280.24
JULY 01	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16	280.24	280.24	279.74	-0.16	280.24	280.24
Sep 01	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16	280.24	280.24	279.74	-0.16	280.24	280.24
DEC 01	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16	280.24	280.24	279.74	-0.16	280.24	280.24
MAR 02	280.24	279.74	280.24	-0.16	280.24	280.24	279.74	279.74	-0.16</td						

Cash In

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It also gives the artists themselves cash with which to invest and diversify.



Juergen Schrempp, left, chairman of Daimler-Benz, showing the company's share price on a handheld electronic device at a press conference with Manfred Gentz, chief financial officer.

In Rebound

around, the yen won't be able to sustain a rebound, they said.

The dollar fell against the mark after Ernst Welteke, a Bundesbank council member, suggested that Germany may consider raising interest rates this year. Falls of a rate rise also stemmed from recent reports showing Germany may be shaking off its economic slump.

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Daimler Sales Augur a Rosy '98

Compiled by *International Herald Tribune*

STUTTGART — Daimler-Benz AG, Germany's largest industrial company, said Wednesday that it expected earnings to rise this year after first-quarter sales surged 22 percent, to 31.6 billion Deutsche marks (\$17.2 billion).

The company also took the unusual step of publishing sales forecasts through 2000 for each of its five main units. The move marked an effort to be more open and alter corporate Germany's reputation for poor investor relations.

Daimler aims to improve its standing among international investors, especially in the United States, where reporting standards are more demanding than in Germany.

"Companies have to rethink"

their investor-relations policy," said Jacques Abramovitz at Westdeutsche Kapitalanlagegesellschaft mbH in Dusseldorf. "Investors are not just looking at this year but the next year and the year after."

Few companies are inclined to publicly set specific targets so far into the future because changes in market conditions can lead to a need for embarrassing downward revisions.

Daimler said first-quarter sales were buoyed by 64 percent growth in U.S. sales of Mercedes vehicles, especially the M-class.

Orders at Daimler-Benz Aerospace AG almost tripled from a year earlier, to 6.7 billion DM, because of the Eurofighter defense

project and a large Airbus order in Latin America.

Daimler said it expected overall annual sales to rise 29 percent by 2000, to 160 billion DM, and to double to 250 million DM in the next 10 years. Most of the growth is expected to come from the Mercedes unit, where unit sales are forecast to rise 70 percent, to 1.2 million units a year.

German companies have a reputation for putting earnings into hidden reserves in good years to avoid paying high corporate taxes.

Daimler was the first German company to convert its accounting standards to the more open U.S. standard, known as generally accepted accounting principles, in 1993.

(Bloomberg, AP)

BA and AA Near Deal on Landing Slots

Bloomberg News

BRUSSELS — American Airlines Inc. and British Airways PLC are nearing an agreement to surrender takeoff and landing slots in London to win European Union approval for their planned alliance, an EU spokesman said Wednesday.

The European Commission will rule in May, the spokesman said. The commission has been trying to wring

concessions from the carriers, including the yielding of slots at London's Heathrow Airport and cuts in the frequency of some flights.

"The fact that BA and AA are still at the table and confident of a deal makes you give them the benefit of the doubt that the eventual deal will be in shareholders' interests," said Chris Avery, an analyst with Paribas Capital Markets.

WORLD STOCK MARKETS

Wednesday, April 8

Prices in local currencies.

Telefers

High Low Close Prev.

Amsterdam

AEX Index 1165.42

Previous: 1164.33

High Low Close Prev.

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Amsterdam

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NYSE

Wednesday's 4 P.M. Close

The 2,600 most traded stocks of the day.

Not all stocks not reflecting info from elsewhere.

The Associated Press

12 Month High Low Stock	Div Yld PE	100% High	Low/Lated Chgs
A-B-C			
252 19% AARs	.34	1.2	24 692 25% 27% -25
251 18% ABG	.20	1.2	23 500 25% 25% +25
250 18% ACE Ltd	.32	3	15 1076 30% 30% -25
249 10% ACM	.95	8	62 1042 11% 10% -10%
248 10% ACI	.20	1.2	10 1000 10% 10% -10%
247 8% ACS	.50	8	87 1488 10% 10% -10%
246 7% ACMAp	.50	8	84 1366 6% 6% -10%
245 7% ACN	.20	1.2	10 1250 10% 10% -10%
244 6% ACN	.20	1.2	10 1250 10% 10% -10%
243 6% ACN	.20	1.2	10 1250 10% 10% -10%
242 6% ACN	.20	1.2	10 1250 10% 10% -10%
241 6% ACN	.20	1.2	10 1250 10% 10% -10%
240 6% ACN	.20	1.2	10 1250 10% 10% -10%
239 5% ACCO	.04	1	10 2448 27% 27% -27
238 5% ACCP	.04	1	10 1411 21% 21% -21
237 5% ACH	.04	1	10 1250 10% 10% -10%
236 5% AJL	1.44	10	27 1250 10% 10% -10%
235 5% AKM	.04	1	10 1250 10% 10% -10%
234 5% ALB	.04	1	10 1250 10% 10% -10%
233 5% ALB	.04	1	10 1250 10% 10% -10%
232 5% ALB	.04	1	10 1250 10% 10% -10%
231 5% ALB	.04	1	10 1250 10% 10% -10%
230 5% ALB	.04	1	10 1250 10% 10% -10%
229 5% ALB	.04	1	10 1250 10% 10% -10%
228 5% ALB	.04	1	10 1250 10% 10% -10%
227 5% ALB	.04	1	10 1250 10% 10% -10%
226 5% ALB	.04	1	10 1250 10% 10% -10%
225 5% ALB	.04	1	10 1250 10% 10% -10%
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189 5% ALB	.04	1	10 1250 10% 10% -10%
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172 5% ALB	.04	1	10 1250 10% 10% -10%
171 5% ALB	.04	1	10 1250 10% 10% -10%
170 5% ALB	.04	1	10 1250 10% 10% -10%
169 5% ALB	.04	1	10 1250 10% 10% -10%
168 5% ALB	.04	1	10 1250 10% 10% -10%
167 5% ALB	.04	1	10 1250 10% 10% -10%
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121 5% ALB	.04	1	10 1250 10% 10% -10%
120 5% ALB	.04	1	10 1250 10% 10% -10%
119 5% ALB	.04	1	10 1250 10% 10% -10%
118 5% ALB	.04	1	10 1250 10% 10% -10%
117 5% ALB	.04	1	10 1250 10% 10% -10%
116 5% ALB	.04	1	10 1250 10% 10% -10%
115 5% ALB	.04	1	10 1250 10% 10% -10%
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Bond Buyers Show Faith In Seoul

Compiled by The Staff from Reuters

LONDON — Investors snapped up South Korea's \$4 billion global bond offer Wednesday, in what many bankers called a strong vote of confidence in a country that stood on the brink of financial collapse at the beginning of the year.

South Korea sold \$3 billion in 10-year bonds and \$1 billion in five-year notes. The face value of the 10-year securities was raised from the originally planned sale of \$2 billion. Bankers said the increase proved that investors were prepared for a long-term commitment to the country's prospects.

"South Korea is a strong emerging-market credit, which people see as moving fairly rapidly back to investment grade," said Iain Hardie, a manager at Morgan Stanley Dean Witter in London.

South Korea almost went broke at the end of last year, before the International Monetary Fund agreed to a record \$60 billion rescue package and international banks forged a \$24 billion debt-restructuring program. The success of the sale Wednesday will allow other South Korean and Asian borrowers to tap international investors for funds in the coming months, analysts said.

The sale was South Korea's first in a borrowing plan expected to raise \$9 billion this year.

Demand for the securities was enhanced because South Korea's bonds will be included in J.P. Morgan's Emerging Markets Bond Index Plus fund, often used as a benchmark against which to measure portfolio returns.

The 10-year bonds are likely to yield 350 to 355 basis points more than U.S. Treasuries, and the five-year issue will yield 345 to 348 basis points more than Treasuries, said fund managers and bankers familiar with the sale. Many added that South Korea's bond was encouraging for all new issues from emerging markets. (Bloomberg, Reuters)



Seiko says its "Ruputer" can link up with other computers.

A PC Wristwatch? Seiko Says It'll Soon Be Ready

Reuters

TOKYO — Seiko Instruments Inc. said Wednesday that it would begin selling wristwatch personal computers in Japan on June 10.

It said the new product would be the world's first wearable PC.

The watch, called the Ruputer, can download data that includes text and pictures from other personal computers, the company said. It added that the watch would be sold with three software

applications that ran on Microsoft Corp.'s Windows 95 operating system.

The watches come equipped with a 16-bit central processing unit and 128 kilobytes of main memory, Seiko said.

The company said it would launch two Ruputer models with retail prices of 38,000 yen (\$285) and 48,000 yen. Seiko said it hoped to sell 100,000 of the watches in their first year.

ECONOMISTS: Universities Are Opening Their Coffers to Lure Top Professors to Their Campuses

Continued from Page 11

used to brag that "I have never matched an outside offer!" — is, by all accounts, building a "war chest" to fend off future raids.

Just as extraordinary as the salary Columbia will pay is the cornucopia of perks and privileges Mr. Barro won in months of negotiations.

To lure him, Columbia helped place his teenage son in an exclusive Manhattan private school, offered a \$55,000-a-year university post to his wife, Judy, who is just returning to the work force, and eased out the prior tenant of a 2,300-square-foot (215-square-meter) university-owned apartment on Riverside Drive, which the Barros covet. The rent is subsidized, with a lavish renovation, courtesy of Columbia, thrown in for good measure.

While Mr. Barro also has other sources of income, it all adds up to at least a \$150,000 gain for his family.

Other parts of the deal entail even heftier investments by Columbia. Mr. Barro will occupy three spacious offices

on the impossibly cramped and overcrowded campus. He will direct a sizable chunk of resources at the university's new social science research center. Most important, Mr. Barro will have a green-light from the administration to recruit a half-dozen promising younger economists.

To be sure, academic recruiting beyond the junior level — particularly in New York — where housing and schools are major stumbling blocks — has always been a complex, expensive undertaking. But Columbia's willingness to put together a deal of these proportions shows how much it expects to benefit from Barro's presence.

"We're capturing a lot of the surplus that Robert will generate," said Glenn Hubbard, an economist in the university's business school, one of the main flag carriers in the Barro negotiations.

Economics is now the No. 1 major at Columbia. As enrollments have doubled, the faculty has shrunk. The business school, now one of the most competitive in the country, also considers a highly rated economics department

vital to its own continuing success.

The business-school dean, Mayer Feldberg, consulted Milton Friedman on the hire. "Milton was very positive," Mr. Feldberg recalled. "He said, 'Barro's young. He's got visibility. People are drawn to him.'

Not all of Mr. Barro's peers are equally enthusiastic.

Some consider his recent empirical work superficial, others feel his theoretical work is less elegant than say, that of Mr. Lucas, who first coined the phrase "rational expectations" and is revered for his rigorous, spare style.

Still others point to Mr. Barro's prickly persona (he was known, as a young professor at the University of

Chicago, for his outbursts during debates and his scathing attitude toward less stellar colleagues).

The notion that a big push can restore Columbia's faded glory is a tantalizing one. Columbia once had students

like Kenneth Arrow, Milton Friedman and the Federal Reserve Board chairman, Alan Greenspan. Its faculty included some of the great pioneers of empirical economics — Wesley Mitchell, Arthur Burns, George Stigler.

Investor's Asia

Hong Kong	Singapore	Tokyo
Hang Seng	Straits Times	Nikkei 225
13000	2000	1750
12000	1300	1700
11000	1600	16400
10000	1400	15500
9000	1200	15200
N D J F M A 1997	N D J F M A 1998	N D J F M A 1997
Exchange	Index	Wednesday Prev. Close Close Change
Hong Kong	Hang Seng	11,314.46 11,049.43 +2.40
Singapore	Straits Times	1,573.09 1,549.93 +1.49
Sydney	All Ordinaries	2,813.50 2,794.80 +0.57
Tokyo	Nikkei 225	16,376.62 15,978.72 +2.49
Kuala Lumpur Composite		664.28 653.77 +0.08
Bangkok	SET	444.33 430.04 +3.32
Seoul	Composite Index	455.53 458.58 -0.88
Taipei	Stock Market Index	9,263.44 9,266.68 -0.03
Manila	PSE	2,193.47 2,163.35 +0.46
Jakarta	Composite Index	5,30,036 5,26,141 +0.74
Wellington	NZSE-40	2,292.15 2,296.26 -0.18
Bombay	Sensitive Index	4,183.57 4,194.27 -0.26

Source: Telekurs

International Herald Tribune

Australia Helps Firms To Cut Dock Workers

Compiled by The Staff from Reuters

CANBERRA — The Australian government threw a financial lifeline Wednesday to waterfront employers struggling with unions over who controls the docks, and set benchmarks intended to lift industry productivity.

Lang Corp.'s Patrick Stevedores fired 1,500 workers overnight, triggering severance packages totaling more than 150 million Australian dollars (\$100 million), which the company cannot pay.

But Peter Reith, the Workplace Relations minister, announced a 250-million-dollar line of credit available to Patrick Stevedores and any other waterfront employer needing to pay severance packages in order to improve productivity. The money will be recouped by a levy on all cars and containers crossing Australia's docks.

The federal court in Melbourne separately ordered Patrick Stevedores to keep paying the dockers

and not to hire nonunion labor. But Patrick said Wednesday that the court's ruling would not disrupt the resumption of operations on its wharves using nonunion labor supplied by a port operator.

The court granted a weeklong injunction against Patrick Stevedores pending the start next Wednesday of hearings into the union's allegations of an illegal conspiracy to destroy it. The union counts the government and Patrick among those conspirators.

Almost all of Australia's international trade passes through its docks, which have a long-standing reputation for inefficiency and high wage costs.

In firing the 1,500 workers, Patrick said it had been unable to get an agreement on more efficient work practices.

Thousands of workers took to the streets in cities across Australia in support of the dockers. (Reuters, Bloomberg)

Very briefly:

• Kao Corp., of Japan, plans to acquire Bausch & Lomb Inc.'s skin-care business for \$135 million through its wholly owned U.S. subsidiary Andrew Jergens Co.

• Nippon Telegraph & Telephone Corp. plans to invest as much as \$100 million in Verio Inc., an Internet-service provider based in Englewood, Colorado.

• Iscar Ltd., of Israel, put on hold its plans to buy Korea Tungsten Co.'s main factory after workers locked officials in a building to protest the terms of the transaction. Labor unions at the South Korean company, which is a subsidiary of Keo Pyung Group, are demanding 20 percent of the sale proceeds.

• Japan's domestic shipments of computer servers rose in 1997, although the pace of growth is expected to slow in 1998, according to the market researcher IDC Japan Ltd.

• Yasuo Hamanaka, a former copper trader, appealed his eight-year prison sentence for fraud and forgery in connection with Sumitomo Corp.'s losses that totaled \$2.6 billion.

• Cadence Design Systems Inc., a U.S. software specialist, will provide Oki Electric Industry Co. advice on the development of System LSIs chips. The three-year deal is part of Oki's strategy to shift its semiconductor business from dynamic random-access memory chips to large-scale integration chips and logic integrated circuit chips.

• Federal Express Corp. inaugurated five direct flights a week to Jakarta, saying the move reflected the U.S. delivery company's conviction that Indonesia's economy would recover. Federal Express favors the Indonesian market because of its manufacturing sector, its many multinational companies and its suppliers of components and seminished goods for export.

• PT Bank Indonesia is holding preliminary merger talks with listed and unlisted banks that are strong in the retail banking field. The Indonesian bank also is negotiating with a few foreign institutions to form strategic alliances.

• Indonesia revised downward its oil-price forecast in its 1998-99 budget to \$14.50 a barrel, citing revised market expectations, compared with the price of \$16.50 used in the 1997-98 budget.

Bloomberg, Reuters

Bearish Outlook in Manila

Bloomberg News

NEW YORK — Economic growth in the Philippines is likely to slow to between 3 percent and 4 percent this year from 4.7 percent in 1997 because of weaker growth elsewhere in Southeast Asia. President Fidel Ramos told a group of U.S. investors on Wednesday.

Mr. Ramos also predicted that inflation would rise to 8 percent. Inflation in March was running at an annualized 7.1 percent.

Mr. Ramos, who ends a six-year term in June, is on a U.S. tour to convince investors the country will be among the first to emerge from Asia's currency crisis.

Mr. Ramos said the Philippines' problems are far from over, even though its currency has strengthened since mid-January and foreign investment into the archipelago is picking up.

"We are tightening our belts, but

it's a boost to the Philippines, which in 1996 lost to Thailand in the race to attract a \$750 million factory from General Motors Corp.

Ford pulled out of the Philippines

and other Southeast Asian countries in the 1980s, when it was facing deep sales and profit declines in the United States.

She had her book open even before she was properly sitting down. She smiled as she was reading, sometimes even laughed out loud, often casting a dreamy glance at the blanket of clouds below her. No questions, no requests. Everything was just fine.



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The Government of Romania

THE MINISTRY OF COMMUNICATIONS

The Ministry of Communications intends to privatize The Romanian Post Office through the promotion of private sector participation via an initial public offering in Romania.

The Ministry of Communications announces the tender for appointing a Privatization Advisor with relevant experience in privatization process and in post office operations. The Privatization Advisor shall provide accounting, financial, legal and technical advisory services to The Ministry of Communications and The Romanian Post Office.

The Terms of Reference documents are available at The Ministry of Communications, #14 Libertății Ave., 70106 Bucharest, Romania (Tel: +40/400 1102).

ASIAN CAPITAL HOLDINGS FUND

20, Boulevard Emmanuel Servais, L-2535 Luxembourg R.C. Luxembourg B 41 100

NOTICE TO THE SHAREHOLDERS
Notice is hereby given that an ANNUAL GENERAL MEETING of the shareholders of ASIAN CAPITAL HOLDINGS FUND will be held at the registered office of the Company on 28 April 1998 at 3:30 p.m.

AGENDA

- Approval of the report of the Board of Directors and the report of the Auditor;
- Approval of the financial statements for the year ending on 31 December 1997;
- Allocation of the net result of Mr. Christopher Preston, Mr. Rick Scherzer and Mr. Peter Vandekerechve in the place of Mrs. Sheila Jordan, Mr. Olivier d'Aoust and Mr. Peter Stevens respectively;
- Reirement of the outgoing Directors and the Auditor from their functions for the year ending on 31 December 1997;
- Appointment of the Directors and the Auditor of the Fund;
- Re-election of the Directors;
- Re-election of the Auditor;

Resolutions of the shareholders will be passed by a simple majority of those present and voting and each share is entitled to one vote.

A shareholder may act at any meeting by proxy.

On behalf of the Company
BANQUE DE GESTION EDMOND DE ROTHSCHILD
LUXEMBOURG
Société Anonyme

20, Boulevard Emmanuel Servais
L-2535 LUXEMBOURG

LUXOR INVESTMENT COMPANY

Société d'Investissement à Capital Variable 10A, Boulevard Royal, LUXEMBOURG R.C. Luxembourg B 27.109

NOTICE OF MEETING

In accordance with law not having been reached at the Extraordinary General Meeting convened on 23rd March, 1998, the shareholders of LUXOR INVESTMENT COMPANY are hereby convened to attend the proposed Extraordinary General Meeting of Shareholders to be held at the Registered Office of the Company, 10A, Boulevard Royal, Luxembourg on Monday 27th April 1998 at 11 a.m. for the purpose of carrying out the following Agenda:

- To approve the liquidator's report and the statement of liquidation of Luxor Investment Company (in process of being liquidated);
- To approve the payment of the creditors and the distribution of the remaining net assets to the shareholders, after payment of the debts;
- To appoint an auditor;
- To call an Extraordinary general meeting which will rule on the following points:
 - discharge of the liquidator's report;
 - resolution to be granted to the liquidator, the auditor and the Board of Directors;
 - resolution concerning the final liquidation of the Company;
 - the keeping of accounts and company documents.

Resolutions on the agenda of the proposed Extraordinary General Meeting will be adopted by two-thirds of the shareholders present or represented, irrespective of the proportion of the outstanding shares which are present or represented at the meeting.

NASDAQ

Wednesday's 4 P.M.
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INTERNATIONAL FUNDS

April 8, 199

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The data in the list above is the n.a.v. supplied by the fund groups to Micropal SA. It is collated and reformatted into the list before being transmitted to the IHT. Micropal and the IHT do not warrant the quality or accuracy of the list, the data of the performance of funds of the Fund Groups and will not be liable for the list, the data or Fund Group to any extent. The list is not and shall not be deemed to be an offer by the IHT or Micropal to sell securities or investments of any kind. Investments can fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent advisor before investing.

Herald Tribune INTERNATIONAL SPORTS

PAGE 18

THURSDAY, APRIL 9, 1998

WORLD ROUNDUP

Japanese Confident

SOCER Japanese officials said Wednesday that there were no plans to change arrangements for the 2002 World Cup despite financial problems in Asia. Akira Odajima, a spokesman for the Japanese organizing committee, said he was sure both Japan and South Korea would be able to fulfill their obligations even if South Korea abandons plans to build new stadiums. He said Japan could pick up any slack if South Korea's plans changed.

"The suggestion that South Korea or we might drop out is laughable," he said.

• Lennart Johansson and Sepp Blatter were confirmed Wednesday as the sole candidates for the presidency of FIFA, the governing body of world soccer. No other contenders came forward before Tuesday's midnight deadline. Johansson is president of UEFA, which runs European soccer, and Blatter is FIFA's general-secretary.

• Tommy Smith, the tough-tackling former Liverpool defender, is recovering after a car crash. The 53-year-old was in intensive care at Ormskirk and District General Hospital, near Liverpool, suffering from chest injuries, broken ribs and a fractured collar bone sustained in the accident on Monday. (Reuters)

Snead Suffers Mini-Stroke

GOLF Sam Snead was hospitalized, missing the Masters champions dinner Tuesday, after he reportedly had a mini-stroke. The Augusta (Georgia) Chronicle reported Wednesday. Snead, 85, was listed in fair condition at Augusta's University Hospital.

Snead won the Masters in 1949, 1952 and 1954. He was scheduled to join Gene Sarazen and Byron Nelson as honorary starters on Thursday morning. (AP)

Police to Quiz Wizards

BASKETBALL The police plan to question Juwan Howard and Chris Webber, two forwards with the Washington Wizards, over a woman's accusation that she was sexually assaulted during a party at Howard's home. No charges have been filed against either player.

• Korleone Young, a 6-foot-7 forward at Hargrave Military Academy in Virginia, is skipping college to enter the NBA draft. "In my heart, I think I can become a good NBA basketball player," he said. Scott Shepherd, the Hargrave coach, said Young visited Arkansas, Connecticut, Georgetown and UNLV and would have qualified academically for college. (AP)

Royals Trade Catcher

BASEBALL The Kansas City Royals traded Mike Macfarlane, a catcher, to the Oakland Athletics for the outfielder Shane Mack and a player to be named. Herb Robinson, the Royals' general manager, said Wednesday. (AP)



Defending champion Tiger Woods practicing at Augusta National on Wednesday. The Masters starts Thursday.

Bad News, Guys: Tiger's Even Better

By Leonard Shapiro
Washington Post Service

AUGUSTA, Georgia — Tiger Woods knew he had done something special a year ago when he blew away the field by 12 shots and, at 21, became the youngest champion in Masters history.

Still, he said Tuesday, the magnitude of that stunning and historic victory truly hit home for the first time in his opening practice round of the week.

"I was out there playing at 7 o'clock, and there are about a thousand people following out there on a Monday afternoon screaming my name, wanting me to look this way, look that way for a picture," he said. "That wasn't the case last year. I played nine holes in absolute silence last year."

On Tuesday, he said he also did not miss a putt inside 10 feet over the entire tournament. "I still can't believe that," said Colin Montgomerie, a Scot who played with Woods in the third round last year. "That's incredible."

Woods last won in January when he came from eight shots behind in the final round to overtake Els and win in a playoff at the Johnnie Walker in Thailand. In his first five events on the PGA Tour this year, he had five top-10 finishes, including a tie for second at Mercedes and second alone when he lost in a playoff to Billy Mayfair at the Nissan Open in Los Angeles.

"I feel good," he said. "I'm hitting the ball well. I'm putting well. I've putted well all year. I'm ready."

David Leadbetter, the instructor who tutors Greg Norman and Nick Faldo, said there was no question Woods is a vastly improved player from a year ago.

"He definitely has a few more shots in his arsenal," said Leadbetter. "He's learning it's not just a power game — it's also finesse. He's still got his great length, but he's learning to work the ball so much better. And he totally believes in himself. That's always been obvious. But there is great competition out here, and it's tough to win every week."

Asked if he thought he could match his perfection of a year ago, Woods quickly answered: "Yeah, I can eliminate the 40. There's no way you can

achieve perfection. We're all human, we all make mistakes." Woods shot 40 on his first nine holes last year.

"I think this year is much easier because I know how to win here. Any time you defend, you understand what it takes. Last year, I didn't know."

Many of his competitors also are being asked this week if Woods can possibly top last year's performance.

Said Montgomerie: "We're all hoping it's just once. If he plays and puts the way he did last year, we've got a real battle on our hands."

On a Night of Pain, Manning Hurts Most

Kemp Gets Knocked Down, but He Gets Up Again

The Associated Press

Danny Manning went down with another knee injury: Shawn Kemp was knocked unconscious, and Rod Strickland pulled up lame, on a rough night in the National Basketball Association.

Manning's injury appeared to be the most serious. He was flown back to Phoenix after injuring the anterior cruciate ligament Tuesday night in his right

happened," he said. "That's what the game is about. You get hit and you've got to bounce back and take it."

Kemp tied the score at 80-80 when he hit two free throws with 26.2 seconds left. Reggie Miller hit a 22-footer with 8.8 seconds left to win the game for the Pacers. Kemp finished with 16 points and 11 rebounds after missing five of his first six shots before getting injured.

Bulls 103, Wizards 99. Strickland suffered a strained left quadriceps late in the first half of Washington's loss in Chicago. He played only two minutes in the second half.

With Strickland out, the Bulls pulled away in the third quarter, outscoring the Wizards by 30-14.

"Rod Strickland got hurt, and they lost the head of the body," said Michael Jordan. "They didn't know where to follow from that point. He ignites their offense. Without him, they really didn't have any leadership."

Jordan scored 30 and Dennis Rodman grabbed 20 rebounds as the Bulls won their 13th in a row.

Jazz 101, Warriors 99. Karl Malone scored 56 points as Utah edged Golden State in Oakland.

Malone had the second-highest point total of his career and the fourth-highest in Jazz history. He shot 18-for-29 from the field — including a 4-footer with 2.2 seconds left for the victory — and 19-for-23 from the line.

"You get into something like this two or three times in your career," Malone said. "I felt that every guy that was guarding me was at my mercy."

It was the highest individual total since Glen Rice scored 56 for Miami against Orlando in 1995.

Timberwolves 92, Heat 88. In Minneapolis, Kevin Garnett had 27 points and 14 boards to lead the Wolves within one victory of a franchise record for a season. Alonzo Mourning, who missed two games with a fractured cheekbone, had 28 points and 9 rebounds while wearing a mask.

Hawks 92, Knicks 79. In Atlanta, Dikembe Mutombo matched a season-high with 19 rebounds in addition to 17 points and 6 blocks.

Charles Oakley of New York was called for a flagrant foul on Mutombo and was due to miss Wednesday's game against Miami for accumulating his seventh flagrant foul point.

"I didn't do nothing," Oakley said.

Trail Blazers 99, Mavericks 91. In Dallas, Isaias Rider scored 26 points and Walt Williams, Rasheed Wallace and Brian Grant all had 17 points for Portland.

Rockets 104, Nuggets 87. In Denver, Clyde Drexler moved past Patrick Ewing into 17th place on the NBA's career scoring list with 22,085 points as Houston ended its six-game losing streak.

Bucks 114, Raptors 105. In Milwaukee, Ray Allen scored 28 points as the Bucks won for the fourth time in five games. Toronto lost its 10th straight.

Grizzlies 110, Clippers 94. In Los Angeles, Shareef Abdur-Rahim had 30 points as Vancouver equalled the largest margin of victory in franchise history.

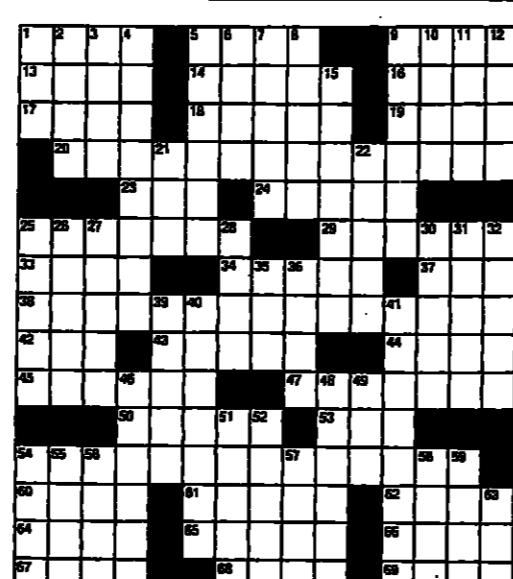
CROSSWORD

ACROSS

- 1 Reiner of TV
- 2 Stalemate
- 3 Coin collector?
- 4 Subject for an insurance company
- 5 A Death in the Family author
- 6 One of the Donald's exes
- 7 Bell ringer
- 8 Mine car
- 9 Make — of (embarrass)
- 10 Permission to go
- 11 Start of a quip by 52-Down
- 12 King Cole
- 13 Powerful person
- 14 ERIN DEPP
- 15 ANGEL MENO ELIA
- 16 PRINCE OF THE CITY SEN IN TRO DRESS
- 17 ONCEA AME
- 18 THEFAERIEQUEENE EAST
- 19 NOUN LOY
- 20 MRS ALE SAD ELLI
- 21 PEA GOGO OMAN
- 22 IDYLLS OF THE KING EEE FEELS
- 23 SILVA HENRI SLY
- 24 THE EMPEROR JONES LANE LEER ARISE
- 25 ODDS OLDS HYPER

Solution to Puzzle of April 8

- 1 Jazzman
- 2 Indian tourist site
- 3 Deciphered
- 4 Kind of stand
- 5 Common sense
- 6 Churls
- 7 Upside-down smile
- 8 Honolulu's Tower
- 9 Decorative water bowl
- 10 "Ars amatoria" poet
- 11 Fair
- 12 Catch
- 13 The Crimson Tide
- 14 Western Hemisphere assoc.
- 15 Go kaput
- 16 Initiatives in fashion
- 17 Copland baller
- 18 Sanction
- 19 Gateway to Paris
- 20 Shostafordshire river
- 21 Mitta Pass" author
- 22 AAA. suggestions
- 23 Goals
- 24 Exaggerated, as a story
- 25 Having melodic harmony
- 26 Ancient Troy
- 27 Hostess Perle
- 28 Word with bull or cross
- 29 Olympics equipment
- 30 Holmes's creator
- 31 Like a stadium after a homer
- 32 The kid in "The Heartbreak Kid"
- 33 Fraternity letter
- 34 Two-baked bread
- 35 Speeder's downfall
- 36 Job for the matroom
- 37 Cry accompanying frantic pounding
- 38 Irving Berlin classic
- 39 Koppel of "Nightline"
- 40 Zzzz
- 41 Humorist Nash
- 42 Red-bearded god
- 43 Offended
- 44 Female in France
- 45 Excite
- 46 Soups pods



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Dhaenens: A Modest, Unselfish Cyclist

By Samuel Abt
International Herald Tribune

PARIS — Rudy Dhaenens was right: He never had much luck.

Driving on Sunday to the finish of the Tour de Flanders bicycle race, where he would be a consultant for the Eurosport Belgium television channel, he somehow lost control of his car, swerved off the road and into a power pylon. He died Monday night in a hospital from head injuries, leaving a wife and two children. He would have been 37 on Friday.

The Tour de Flanders was one of his favorite races, not only because he was a Belgian and a native of Flanders but mainly because he finished second in the classic in 1990. Dhaenens had a special affection for races in which he had ridden well: second in Paris-Roubaix in 1986, third there in 1987 and fifth in 1985; fourth in Liege-Bastogne-Liege in 1990 and in the Het Volk in 1988, third in the Belgian national championships in 1985.

Usually he looked like a small boy who asked Santa for a set of trains for Christmas and got instead underwear and a book, but his plain face could light up when he discussed the few races he had won. The world championship in Japan in 1990 was the peak, of course. Dhaenens and a Belgian teammate, Dirk de Wolf, managed to get out in front of the pack and, after de Wolf collided with their only close pursuer, Dag-Ottó Lauritzen of Norway, and left him with a disabled bicycle, the way to the finish was clear. Dhaenens won by a second or two.

There have been unluckier world champions. Dhaenens had also won a daily stage in the 1986 Tour de France and come close to repeating in 1989. He broke away alone and was heading for victory when he entered the final curve, 400 or so meters from the line.

"I took the corner too fast, maybe, or something happened with my wheel, maybe, and I slipped," he explained in an interview the next spring. "I still don't know," he admitted.

His bicycle skidded out from under him and he was thrown to the ground. When he got to his feet and found that his rear wheel was mangled, he could do nothing more than scream with rage as the pack shot by. Instead of being an easy winner, he was the last man to cross the finish line. "It just happened, so what can you do?" he asked those months later.

Because of an injury to Sean Kelly, Dhaenens had been promoted to lead the PDM team in the 1990 Paris-Roubaix, but he understood who he was — a dependable, unselfish rider of moderate talent, not a star.

"Laurent Fignon wins more than I do, probably because he expects more of

himself," Dhaenens said, referring to the Frenchman who won the Tour de France twice.

The talk turned to Moreno Argentin, the Italian who had finished first ahead of Dhaenens a week earlier in the Tour of Flanders.

"There are guys who aren't often good during the year but when they're good, they win," he said. "Like Argentin: When he's super, he wins. He's super maybe four or five days a year, but he wins four of the five times."

"I'm not like him. I'm always in the top group, usually in the front, but never win. And that's what's important in cycling races. To win, you need luck."

He had that at the world championships four months later, but by the end of the 1992 season, he had to retire because of medical problems.

Not much was seen of Dhaenens for the next few years. Then, last July, he showed up in the press room at the start of the Tour de France, looking tentative. He was working in a slight job, perhaps as a television consultant, perhaps as a representative of a bicycle shoe or saddle company. He looked pleased to be remembered.

"We must talk," he said. "I'll tell you what I've been doing. I'll be with the race only a few days," he warned.

But in the bustle of the Tour, those few days sped by, and then he was not to be found, and now he has been killed.

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الدولي

of Pain,
urts Most
, but He Gets Up Again

"happened," he said. "That's what the game is about. You get hit and you've got to bounce back and take it."

Kemp tied the score at 80-80 when his first two free throws with 26.2 seconds left. Reggie Miller hit a 22-footer with 8.8 seconds left to win the game for the Pacers. Kemp finished with 16 points, and 11 rebounds after missing five foul shots.

Bulls 103, Wizards 85: Strickland

offered a strained left quadriceps late in the first half of Washington's loss in Chicago. He played only two minutes in the second half.

With Strickland out, the Bulls pulled

away in the third quarter, outscoring the

Bulls 30-13.

Rod Strickland got hurt, and they lost the head of the body," said Michael Jordan. "They didn't know where to follow from that point. He ignites them. With us, they really don't have any leadership."

Jordan scored 31 and Dennis Rodman

added 16 rebounds as the Bulls won

their 13th in a row.

Jazz 101, Warriors 99: Karl Malone

scored 55 points and Utah edged Golden

State 101-99.

Malone had the second-highest point

total of his career and the fourth-highest in Jazz history. He shot 18-for-29 from the field — including a 4-for-10 with 22 seconds left — for the victory — and 14-for-

23 from the foul line.

"You gotta do something like that

in three straight games," Malone

said. "I'm not going to play 200, but that was

guarding me."

It was Malone's individual total

since Oct. 1, 1996, 56 for many

years.

Timberwolves 92, Heat 89: In Minne

apolis, Barkley had 27 points

and 14 rebounds, while Wade was

the victim of a 10-game record for a

season. Wade had 27 points, but the muted

reactions from the crowd checked him

down. Barkley was still while

Hawks 92, Knicks 79: In Atlanta,

Diawara had a solid season

with 17 points and 10 assists in 17

minutes.

Cougars 100, New York: The Cougars

were 10-10 in the regular season

and were 10-10 in their last game

against New York, including his

second-half 10 points.

Blazers 99, Mavericks 91: In Dallas,

Isiah Thomas had 19 points and

10 assists, while Wallace and

Wade had 20 and 12 for Port

Orford.

Rockets 104, Nuggets 87: In Denver,

Player had 19 points and 10

assists, while the NBA's

youngest team had 10

rebounds.

Grizzlies 110, Clippers 94: In Los

Angeles, McRae had 21 points and

10 assists, while Ruffin had 19

rebounds.

Bucks 114, Raptors 105: In Milwau

kee, Karcher had 20 points in the

first half and 12 in the second

quarters, but the Bucks won

the game.

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ART BUCHWALD

Give Us the Money

WASHINGTON — The most popular word in Washington is "reform." Senators, congressmen and members of the administration are constantly using it to explain to the electorate where their hearts really are.

When the legislators greet each other in the morning they say, "Have a nice reform day." Before



Buchwald

politicians' hands without getting their clothes soiled.

It differs from hard money in that it can be spent to educate Americans as to which way they should vote.

What makes soft money so attractive to politicians is that the people who give it can hire a senator or a congressman, or even sleep in the Lincoln Bedroom, if that is what the donor dreams of doing.

□

Long before the country was corrupted, our political leaders talked about reform. One group wanted to reform the Declaration of Independence, another the Constitution. Nothing ever came of these efforts because it precluded political favors. But it became a patriotic tradition, like setting off firecrackers on the Fourth of July.

The Republicans were the first to kill reform as a viable solution to a political problem.

Trent Lott, the Senate Majority Leader, told his troops, "We got the money, so why fix the problem when it isn't broken?"

□

A few honorable Republicans persisted in their fight for reform and were ordered to be investigated by the Senate Rules Committee on charges of political fund-raising harassment.

Rushdie spent time with the Irish rock band U2 and said he had written lyrics for the tunes of his fictional rock star. He hoped to get the lyrics set to music and to release a record to accompany the book. "Now that I'm 51, the music is also middle-aged," he said.

Rushdie has been in hiding for nine years since Iran issued a death sentence against him for "The Satanic Verses."

Washington Post Service

Rock, by Rushdie

Reuters

LONDON — Salman Rushdie says his next novel will examine the drug-fueled world of rock 'n' roll.

Rushdie spent time with the Irish rock band U2 and said he had written lyrics for the tunes of his fictional rock star. He hoped to get the lyrics set to music and to release a record to accompany the book.

"Now that I'm 51, the music is also middle-aged," he said.

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Washington Post Service

A World Apart, Wynette Sang Through the Hurt

By David Von Drehle
Washington Post Service

WASHINGTON — The world was rushing hell-mell into the sexual revolution. Free love. Open marriage. No-fault divorce. Let the record show that one woman stood in the gap and forecast the storm of heartache that came to pass.

Tammy Wynette.

It was 1968, the Summer of Love, and the hi-fis of the cultural elite were playing music of rebellion, freedom, idealism. A new world was coming — just an acid trip, psychoanalysis, commune or multiple orgasm away.

Next door and a world apart, out in the rest of America, Wynette's voice — raw, broken, sad, knowing — prophesied from a million jukeboxes and push-button AM car radios. The First Lady of Country, she came to be known for her string of hurtling hits: "I Don't Wanna Play House," "D-I-V-O-R-C-E" and the iconic "Stand by Your Man."

For Wynette, who died in Nashville on Monday at 55, love was never free and the human condition was pain, struggle, compromise. Her songs — by a variety of Nashville workhorses but all sung with the same intensity — were populated by straying men, sobbing moms and damaged kids. In one, a little girl plays with crayons, but the colors are all wrong. Or are they?

A chill came over me as I realized that she had colored things as she thought they belonged.
She colored mommy blue with her eyes crying.

She made our home as gray as the dawn.
She made the sun as black as night as if to say it held no light.

But she didn't color daddy cause he's gone.

In another song, one of Wynette's string of No. 1 country hits, a child is overheard telling her friend:

I don't wanna play house. I know it can't be fun.

I've watched mommy and daddy and if that's the way it's done

long before talk radio therapy, long before a million men prayed at the Capitol to be better fathers, she sang out the pain of broken families.

were other women. Not "jet set" women, to borrow from one of her duets with the great George Jones. Ordinary women, who saw themselves in her music.

She wasn't guessing about this stuff. "I feel I'm very average woman," Wynette once said. "I can relate to any woman because I've worked in a shoe factory, been a barmaid, a waitress, worked in a garment factory and picked cotton."

And she knew what she was talking about when it came to divorce. The husband who survives her, George Richey, was her fifth. Her turbulent marriage to Jones was country music's answer to Liz Taylor and Richard Burton, a tragedy played as soap opera on the tabloid stage.

Her first marriage came at 18, early along her rags-to-riches story. Born in Itawamba County, Mississippi, she grew up fatherless and poor. Her education came at a beauty academy and at the college



Tammy Wynette

Wynette was honored by Nashville and Merle Haggard in 1991.

of hard living. Her dream was to sing, and so she carried her guitar from door to door through Nashville's music district.

The producer Billy Sherrill invited her in. A country outsider bred on rock and rhythm-and-blues, Sherrill heard a cash register ringing in the cry in Wynette's voice. He backed her with the soaring strings and choirs that marked the so-called Nashville Sound and, in 1967 and 1968, produced the early hits that would make her a cultural touchstone.

Long before "Dr. Laura" Schlesinger conquered talk radio with her conservative family therapy, long before anyone could imagine a million Promise Keepers praying to be better fathers at the foot of the U.S. Capitol, Wynette sang out the pain of broken families.

Our little boy is 4 years old and quite a little man

So we spell out the words we don't want him to understand

Like T-O-Y or maybe S-U-R-P-R-I-S-E

But the words we're hiding from him now tear the heart right out of me

Our D-I-V-O-R-C-E becomes final today

Me and little J-O-E will be going away
I love you both and this will be pure H-E-double-L for me
Oh I wish that we could stop this D-I-V-O-R-C-E

Mind you, she wasn't saying that marriage was easy. Her most memorable song was "Stand by Your Man" (1968), a collaboration by Sherrill and Wynette. It is an anthem for the women who keep trying.

"Sometimes it's hard to be a woman," the song begins. Even then, the statistics were clear: women of the working class divorced, they worked harder while getting poorer. After her first divorce, Wynette supported three kids on her beautician's salary. Sticking with a cheater, on the other hand, meant that "you'll have bad times and he'll have good times, doing things that you don't understand."

"But if you love him you'll forgive him," she sang. Predictably, a chorus of outrage ensued. The title of the song became a shorthand for everything feminism opposed. In the coming world, women would be treated right by men. In Wynette's world, few women were so lucky. Forgiveness was a greater virtue than indignation.

The song struck an incredible chord, becoming the best-selling single ever recorded by a female country artist.

Tammy Wynette ruled country music when country wasn't cool. In recent years, with the music more hip than it has ever been, she could hardly get on the radio. Her last hit — No. 1 in 18 countries, though not in the United States — was a sort of spoof on her legend, recorded with the British electronic dance band the KLF.

But she had always sung with simple honesty, with passion and courage, and so new fans kept finding her, old fans stuck by her, people bought her records and wore them out. They'll miss her, because in their hearts they know she was right.

PEOPLE

THE country music artists Reba McEntire and Lee Roy Parnell have joined 24 other performers in suing a California businessman who linked their names to an Internet porn site. "It's incredibly important to me that when you get on the Internet and bring up my name, it's what I stand for," Parnell said as the artists announced the trademark infringement and right-of-publicity lawsuit filed against Jim E. Salmon of Los Angeles. Alan Jackson, Trace Adkins, Bryan White, Deana Carter, Vince Gill and Tracy Lawrence are among the other artists who brought the lawsuit.

'Shine' Pianist to Play in Austria

Agence France-Presse

VIENNA — The pianist David Helfgott, whose travails inspired the making of the hit movie "Shine," is scheduled to give two concerts in Austria in June.

Helfgott has been criticized for his idiosyncratic stage activities, but he will play in Vienna on June 27 and in Innsbruck on June 29, the APA news agency reported.

The pianist, who still suffers from the mental problems portrayed in the film, will play pieces by Liszt, Rachmaninoff, Chopin, Rimsky-Korsakov and Scriabin, from his second CD compilation "Brilliantissimo," which came out last year.

A severe back injury has forced Elizabeth Taylor to cancel scheduled appearances for the next four months. "I am so sorry that I will not be able to attend any of the charitable events to which I committed myself because I have a severe compression fracture of my first lumbar which is taking its time healing," she said in a statement. She injured her back when she fell at her Bel Air, California, home on Feb. 27 as she was preparing for her 66th birthday party.

Rocker Tommy Lee, accused of kicking his wife, the actress Pamela Anderson, pleaded no contest in Malibu, California, to felony spousal abuse. The judge said he would spend six months to a year in jail. Lee was arrested in February after his wife called the police claiming the drummer had kicked her in the back and buttocks as she held their 7-week-old child, Dylan. She filed for divorce within days of the attack.

Andrew Lloyd Webber had a very musical birthday. A crowd of almost 5,000 cheered the composer and his music at a 50th birthday concert at the Royal Albert Hall in London. The party came a few days late — his birthday actually was March 22. Lloyd Webber, the composer of "Jesus Christ Superstar," "Cats" and "The Phantom of the Opera," called himself "a very, very lucky man" and dedicated the evening to "this extraordinary thing called musical theater." The show was a charity event for the National Youth Music Theatre.

A top aide to the Archbishop of Canterbury has been appointed the first chief executive of the Diana, Princess of Wales, memorial fund. Andrew Purkis will quit as public affairs secretary to the Most Reverend George Carey in June to take up the job. The fund stood at nearly \$70 million when the first grants, totaling nearly \$22 million, were made last month. Cancer and leprosy charities and children's hospitals were among the main beneficiaries.

Filmmaker Martin Scorsese, whose movies include "Taxi Driver" and "Raging Bull," has signed a two-year development deal with ABC. The agreement provides for a 13-episode television series and a miniseries. "Television is an exciting medium that reaches and influences millions of people every day," Scorsese said in a statement.

Hustler magazine publisher Larry Flynt has been indicted on obscenity and other charges in Cincinnati, Ohio, the city where he was convicted of the same charge in 1977 for distributing his magazine. Flynt has said repeatedly in recent months that he wanted a new trial on obscenity charges, because he believes that a jury today would find that his magazine does not violate community obscenity standards. This time, however, he and his brother, Jimmy, are charged with selling an obscene videotape to a 14-year-old boy. Flynt's 1977 conviction was thrown out on appeal.



Worthy Fo — The Italian playwright Dario Fo after being named commander of arts and letters by Culture Minister Catherine Trautmann in Paris.



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